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## **Southeast Asia Report**

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'TALK' REBUTS PRASONG, CHARGES ON DRUGS, OTHER MATTERS

Vientiane PASASON in Lao 10 Jul 86 p 3

[Column: "Prasong Looks for Trouble"]

[Text] Last March, Mr Prasong Soonsiri, secretary general of Thailand's Security Council, smeared the LPDR badly. He accused Laos of being a center of heroin production and exports, even though it is known around the world that Thailand itself is a ring leader on this account.

During the middle of June he also accused Lao soldiers of crossing over to kill Lao refugees at Ban Pong, Xieng Kham District, Prayao Province in Thailand in order to cover up for Thai officials under this responsibility. This incident was brought up for protest at the UN, but it was not supported in any way because there is no reason why Laos would conduct itself that way. This incident surely is not different from that when Thai reactionaries sent troops to invade and seize the three Lao villages in Pak Lay District, Sayaburi Province, on 6 June 1984. Thailand accused Laos of invading it, but it was just the opposite. In the end, the truth is the truth, and world opinion knew who the invader was between Thailand and Laos. This is not even to mention the bitter history of Laos, which formerly was invaded by Thai feudalists who came and burned our homes, threatened us to take our precious heritage and herded Lao people to Thailand years ago.

It may be because of guilt that Thai rightist reactionaries in power circles always like to look for trouble with Laos and blame us, smear us and pick a fight with us.

Only a few days ago, Thailand was screaming and accusing Laos of supporting Lao refugees in France in setting up a clandestine radio station to spread propaganda about the fact that the 17 provinces of the northeastern region of Thailand formerly belonged to Laos! This is the handiwork of Mr Prasong Soonsiri, which he mentioned openly in an interview in Bangkok at the end of June. He just cannot stay still, and is looking for trouble. And if he does not succeed in that, he spreads rumors on other continents to look for trouble indirectly. This is not unusual for this man because he is a big shot currently responsible for Thailand's Security Council. Because he is looking for trouble for other people, especially with neighboring countries, he makes

up stories. If he is not active, he will not be trusted by his behind-the-scenes commanding superiors, such as the American imperialists and Chinese international reactionaries. The Thai economy and Thai society are not secure from the threat of unemployment, which is an epidemic like cholera: merchandise does not sell, and Thai workers and farmers demonstrate and protest endlessly. But he does not look for ways to solve these problems that he is responsible for so that there would be security in Thailand. If he continues to look for trouble with neighbors like this, it will just add more tensions and in the end, Mr Prasong will preside as chairman over a council of turmoil only.

12587/9312

CSO: 4206/129

COLUMN NOTES ONGOING REFUGEE FLOW, TIES TO RESISTANCE

Vientiane VIENTIANE MAI in Lao 28, 29, 30 May 86

['Conversations with the Editor' Column: "Was It Fun Living in Another Land?"]

[28 May 86 p 2]

[Excerpts] [Question] Why do the Lao people flee their homeland to live in the refugee camps in Thailand? How happy are they? Some have written back saying they are having a lot of fun and that food is given to them. However, I have never seen this, and I have never been to Thailand.

2. When they go there, do they become workers? How do they make a living? What is their future like? I hope you can clear this up for me. I do not know how to explain this to my children when they ask me because I live in a rural area outside the district and I have never wanted to live in any foreign country. Even though I might be happy there, it would not be the same thing as living in my country. Is this right? From grandfather Khammai Sengvilai, 15 May 1986.

[Answer] We would like to respond to the two questions you asked as follows. First of all, we would like to remind you of the rhyme saying which contains the answer: "You should not look for 10 tamleung way over on the other side of the river, but hold on to the 2 saleung in your hands."

[29 May 86 p 2]

[Text] This saying reminds me of the story about a dog and a piece of meat which I read in elementary school. According to the story there was a greedy dog who stole a piece of meat and carried it in his mouth. When he came to a river he saw his own reflection in the water, and he thought that the dog in the water had a bigger piece of meat than the one he was carrying in his mouth. He thought it would be a wonderful idea to put down the piece he had and jump in the water and fight for the bigger piece. So the dog put down the meat and jumped into the water, hoping to fight for the other piece of meat. He found nothing when he jumped in, and he was very disappointed because the meat that he had fell into the water and the new meat he expected to get had disappeared. He finally starved because of his own greed.

Another folk tale is about a mouse who met a turtle who was passing by, carrying his shell. He called out, mocking the turtle: "Hey, turtle, your house is small and not as comfortable as mine. I live in a palace, which is better than what you have. Would you like to come and live with me?" On hearing this the turtle said that even though his hut was small he was happy because it was his own. He told the mouse: "You say you live in a palace which belongs to someone else. How can you be happy and comfortable when you have to hide yourself? If the owner of the palace sees you, won't that be the end of you?" From this we can say that "even though it is small it is my own. It is better than living in someone else's land." "It is better to be happy in a small house than to be miserable in a palace."

Do you think that this proverb tells the truth? We can eat whatever we want, do whatever we want to do, and go wherever we want to go in our homeland. On the other hand, we feel uncomfortable doing whatever we want in other countrys. In conclusion, those who fled our country are people without land and without a nation. They live in Thailand and other countries. They will be haranged and criticized wherever they go because they take jobs away from other people. As aliens in the United States, where there are millions of unemployed, they are assailed and cursed every day because they take jobs away from the natives.

[30 May 86 pp 2, 4]

[Text] You mentioned that some people wrote back describing life in the detention camps as being comfortable, and they had no need to make a living. They said that when they wanted to eat, their food was paid for. This is like "talking with a statue of the Buddha in one's mouth. No one is going to believe what he says." Why is this? The reason and the truth are that being in the detention camps in Thailand is no different than falling into hell. Why? Because life there is extremely miserable. Our storehouses for rice are bigger than their houses. They are so crowded that their hands and feet touch each other. It is no different from the way chickens sleep. There is also a shortage of water. In the dry season they have to fight each other for water, and sometimes they even kill each other for it. Those with no money cannot take a bath for months. The foreign aid comes through the Thai reactionaries who use the refugees to make themselves extremely rich. The rice and foodstuffs which the reactionaries give out is just enough to keep the refugees alive and to deceive those from abroad to obtain money.

Most of the young men who fled the country are taken as soldiers by the Lao reactionary exiles, and they will die for them. Most of the young girls are sold as prostitutes or else they are deceived until they are moneyless, etc. Why? Because those who are misled have no rights. They are like little chicks in someone's hands. Whether they die or live depends on the reactionaries. It is sad when you think about it. We really feel sorry for those Lao who have been misled. But what can we do when they make themselves that way? According to our editor, we put the refugees into the following categories.



1. Those who have committed crimes against the people, for example, traitorous reactionaries such as Boun Oum, Phui Sananikon, etc.

2. Those who have committed crimes against the nation such as those who are corrupt and who have violated the laws of the land.

3. The misled.

Our party and government's policy is to forgive those who have been misled. When they repent and return to their country our party and government will send them back to their homeland. Places to stay and even places to make a living will be provided to them. There are thousands of misled who have returned to their home towns. We can conclude that there is no place as happy as our own home. We can do whatever we want at home. There is plenty of fish in the rainy season. If we are not too lazy to go fishing with bait, nets, and traps we will have enough to eat. However, when we are in another's country we cannot figure out ways to make a living. We have to depend on money to buy things. We would have to work for money. We would have to take any job available or else starve to death. There is no honor in this at all. Their future is one of darkness. This is what it is like, and it is exactly as you said, it is very comfortable in our country.

If you do not believe us we would like to ask if you have any shortcomings from when you were young until now a grandfather if you were not lazy. If you are lazy you will, of course, experience hardship. "You cannot wait for the fish to jump into the pot." Goodbye.

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COLUMN STRESSES VOLUNTARY NATURE OF CO-OP MEMBERSHIP

Vientiane VIENTIANE MAI in Lao 10, 12, 13 Jun 86

[10 Jun 86 p 2]

[Excerpt] I am interested about:

1. the advantages of agricultural co-ops. Why do capitalists, especially rightist Thai reactionaries, issue so much propaganda and attack agricultural cooperativization as having many bad aspects? I would greatly appreciate it if you would please explain and give me their reasons why.

Thank you. (Signed) An Interested Farmer

16 April 1986

[12 Jun 86 p 2]

[Text] We can say that Vientiane Capital has become self sufficient in food supplies, especially rice, because of its quite strong foundation in changing from scattered production and stepping up to collective production. Agricultural cooperatives have given a new image and have improved the working class' standard of living in rural areas in various districts. Outstanding cooperatives in Vientiane, especially Ban Dan Xang Co-op and Tha Som Mo Co-op in Saithani District and Ban Phon Sai Co-op in Na Saithong District have become outstanding model co-ops. This has completely erased enemy propaganda and beaten any freethinking ideas of farmers and others. Please, Comrade, count back to 1975-76 during the recent liberation when we had many difficulties and much confusion during the establishment and reform of production procedures. After we had established a strong foundation, we could see how disadvantaged we were and the advantages of cooperativization. The effects on the economy, society and the people's livelihood were summarized earlier in the article. We would like to talk briefly about this:

This editor went and visited the Ban Phon Sai Co-op in 1979-80 at the time it was being cooperativized. There was no production, there was a shortage of draft animals, and only a small portion of the population volunteered to join the co-op.

From 1979 to 1985, the Ban Phon Sai Co-op had a total 260 members, with 2 tractors and 2 mechanical water pumps. Each member received a minimum 480 kilograms of rice, a maximum 750 kilograms.

The Thai rightist reactionaries always criticize us and smear us. I, the editor, dare to say that they will never understand cooperativization or socialist production because they are under capitalism, which is a regime of people exploiting people. Exploitative regimes are divided into two classes of people: people who exploit and people who are exploited. (I will explain very briefly.)

[13 Jun 86 pp 2, 4]

[Excerpt] Cooperativization in our country depends on voluntarism, the common interest and democracy. A measure of the Third General Congress of the LPRP mentioned that, "Cooperativization must proceed exclusively in accordance with its principles--voluntarism, the common interest and democracy--to have farmers respect collective ownership and to coordinate these three points correctly.

Briefly, co-ops are advantageous as follows:

A. People work together to form new production labor that is better and larger than in a private economy. Because of this, the fight against natural disasters has been more effective.

B. Savings in and reduction of production costs and appropriate use of land.

Therefore, we can push social work, expand vocational occupations, and use more modern techniques in production.

C. Develop abilities, facilitate the use of techniques and step up to modern and large scale production.

I mention all this briefly, and I admit that is not very clear, but we have just spoken in summary so that you can grasp some ideas. If anything is not clear, I suggest you write again.

Bye,

From the Desk of the Editor

12587/9312

CSO: 4206/129

LAOS

BRIEFS

**VIENTIANE PROVINCE COOPERATIVIZATION**--Cooperativization in Vientiane has improved and is growing widely. Farmers in 9 districts in the province who formerly carried out isolated production have become aware of cooperativization, voluntarily carried out collective production and more than 220 agricultural co-ops have been formed. During this year's production season, 24,440 farming families around Vientiane Province voluntarily joined in collective production and agricultural co-ops. These families constitute 48.45 percent of independent farmer families and 50.36 percent of independent farmers. [Excerpt] [Vientiane PASASON in Lao 10 Jul 86 p 1] 12587/9312

**KHAMMOUANE DISTRICTS, POPULATION**--Khammouane Province presently consists of 6 districts, Tha Kek, Nong Bok, Hinh Boun, Yommalat, Boualapha and Mouang Kao; 82 cantons; 820 villages and a total population of 213,462, with 111,422 females. [Excerpt] [Vientiane PASASON in Lao 10 Jul 86 p 2] 12587/9312

CSO: 4206/129

## PHILIPPINES

### PRESIDENT AQUINO DELIVERS SPEECH IN SINGAPORE

HK280029 Manila MANILA BULLETIN in English 27 Aug 86 pp 1, 12

[Address by Philippine President Corazon Aquino on 26 August to the Singapore Federation of Chambers of Commerce and Industry]

[Text] I came to Singapore last year as an ordinary citizen of the Philippines. At that time, I had an extremely pessimistic message regarding economic prospects in my home country.

An upheaval has taken place in between my private visit and the present official visit to your country. The historic events of February, 1986, have transformed not only the political but the economic landscape of my country as well.

Today, I have returned as Philippine head of state. I have come to invite you, as part of the ASEAN family, to participate in the full development of the Philippines' vast economic potential.

Let me categorically state, at the outset, that the prevailing situation in the Philippines is now favorable to trade and investments, both domestic and foreign. The government is placing major reliance on the initiative of the private sector, even as it is resolutely withdrawing its presence in business activities best left to private enterprise. We have decided to remove the undue advantages of crony capitalists and knock down the artificial barriers put up in the past to the free functioning of the market place.

We have formulated an economic program aimed at ensuring a stable climate for investment and long-term growth. We have immensely increased our international reserves, stabilized the exchange rates, effected fiscal reforms, renegotiated our debts with our international creditors, and are instituting effective mechanisms for the eradication of graft and corruption in the government. This last is greatly inspired by the example set by your government.

Steps towards the achievement of lasting industrial peace have been taken that are compatible with the newly restored democratic environment. Leaders of labor and industry—with the active support and cooperation of both the minister of labor and employment and the minister of trade industry—are close to forging a framework for achieving industrial harmony.

There may have been a spate of strikes, some called for valid causes, others unjustified. I ask you, however, to have patience and understanding, for this is but part of our difficult adjustment to democracy after 14 years of repression.

I assure all that at the end of the day, my government will have an industrial relations policy founded on a regime of free collective bargaining with great stress placed on voluntary conflict resolution. We have improved, in the meantime, the purchasing power of our working force by bringing down the price of prime commodities.

The political situation has normalized. The investment climate, however, will improve even more considerably as the democratic institutions and traditions that provide stability to the Philippine political system are further reinvigorated or restored.

Our constitutional tradition is being given new life. A draft of the proposed new constitution is scheduled for completion in September. Regular elections for various positions in the national and local governments are scheduled to take place soon after the ratification of a new constitution. In preparation for the constitutional plebiscite and the general elections, the Commission on Elections has been revamped with the objective of reinforcing its independence and integrity.

The Philippine tradition of press freedom has been revived, after 14 years of suppression. Every prudent observer must, therefore, view the renewed vigor of our media in the context of its tragic experience. There is no cause for alarm. The liveliness and colorfulness of our press merely reflect the vibrancy of our newly regained democratic way of life.

We deeply appreciate your concern over the developments in the Philippines. As part of one family, we realize that you have the welfare of your brother Filipinos in mind.

This concern has had positive manifestation in our bilateral relations.

We note with sincere appreciation that it was Singapore's prime minister who was the first among ASEAN heads of government to visit the Philippines after our February revolution. We thank him for making that gesture of fraternal support.

The economic relations between our two countries also show a particular closeness.

Today, Singapore is the leading ASEAN investor in the Philippines, with shares ranging from 87 to 100 percent of the total ASEAN investments between 1975 and 1985, except for a few years. The bulk of these investments were poured into the Philippine manufacturing sector.

At present, around 20,000 Filipino nationals have found employment in Singapore, an increase from some 3,000 in 1981. We welcome in this regard the assurances made by Prime Minister Lee Kuan Yew that Singapore will maintain its policy of nonrepatriation of Filipino workers.

Singapore is the fifth largest Philippine trading partner. This is up from 16th place in 1975. However, total trade between our two countries decreased from US\$436.48 million in 1984 to US\$384.56 million in 1985.

There is, therefore, much more room for intensified Singaporean-Philippine economic relations. And no barrier stands in their way. Singapore and the Philippines are two countries whose economies are more complementary than competitive with each other.

Singapore and the Philippines enjoy comparative advantage in certain areas in which each can immensely benefit from this other.

I invite you, as the foremost financial center within the ASEAN region, to look at the Philippines as an outlet for excess financial resources. We have a strong agricultural base and a big domestic market. We particularly welcome joint ventures in agricultural development and agricultural product processing. There is also wide scope for the development of shipping for inter-island travel, [word indistinct], and commerce, as well as communication systems.

I should like to invite your particular attention to the foreign investment opportunities in my government's program of privatization.

We have taken the decision to sell the shares of government in a number of corporations. During the past regime, government entities proliferated to engage in a number of commercial activities, in diverse areas of business--manufacturing, agriculture, mining distribution, construction, transport, telecommunications, hotels, commercial banks. We believe that government should divest its stake in these businesses, for they belong in the private sector.

Investment opportunities include not just the privatization of government-owned and controlled corporations. There are also dozens of companies which have been foreclosed by government financial institutions and are being sold.

Other opportunities for foreign investment lie in companies which are now entirely in the private sector. Many existing private companies need new capital to augment their operating funds, and to install equipment and improved systems for enhanced productivity and product quality. They also need the new technology to compete more aggressively in the domestic market and to export their products out of unutilized capacity.



We also commend for your study the investment potential for new manufacturing projects in my country. We are particularly interested in factories to process farm products, thus to stimulate greater production by our farmers of non-traditional crops for domestic industries and for export.

The mechanisms for speedy disposal of ownership in government corporations, and for sale of the companies foreclosed by government banks, are now being established.

To heighten the mutual appreciation among the peoples of our respective countries for each other's society and culture, it is necessary to intensify cultural and educational exchanges. There should be an increase in the number of exchange scholars among our educational and public institutions. Singapore has much to offer by way of research opportunities for Filipinos, while the Philippines can provide well-trained professionals in various cultural and educational fields.

Let me take this opportunity, therefore, to invite our brothers from Singapore to visit the Philippines and witness for themselves the transformations that I have described.

The pursuit of more meaningful bilateral relations between the Philippines and Singapore takes place within the larger context of ASEAN solidarity.

In pushing for the reinvigoration of Philippine society, we are deeply conscious that we are contributing to the regional stability of ASEAN. In seeking closer business and cultural relations with Singapore, we hope to add to the efforts at greater economic solidarity within ASEAN.

I, therefore, look forward to greater cooperative efforts by our two peoples and those of the rest of ASEAN.

/6662

CSO: 4200/1370



TATAD ASSESSES AQUINO'S ASEAN TRIP

HK281140 Quezon City BUSINESS DAY in English 28 Aug 86 p 4

["Here and Now" column by Francisco S. Tatad: "Assessing the Visit"]

[Text] President Aquino came home yesterday from her Indonesian and Singaporean visits flushed with reports of her success. In Jakarta, she signed a memorandum of agreement to improve economic relations. In Singapore, the federation of chambers of commerce and industry assured her it would examine business opportunities in the Philippines. Her greatest achievement, however, lies in the fact that, despite apprehensions about the unstable political situation she had left behind, she found her government exactly as she had left it. Unstable but changed.

The agreement with Indonesia seems at best redundant. As members of ASEAN, both are already committed to improving their bilateral economic ties. They do not need a special bilateral agreement for the same purpose. For them to say that they need a special accord to get their bilateral ties going is to confess that ASEAN has failed.

In Singapore, the promise to examine business prospects in the Philippines is no reason for celebration. Singapore businessmen have long been examining such prospects, and what they told her after her speech did not advance their position one bit. They want to see what will happen here before they do anything more.

The President's presentation was rosier and far more confident than expected. It may have exceeded the bounds of realism. Reading it, one found it hard to recognize the real situation it sought to describe. The objective and non-sentimental Singaporean must have wondered whether he had been looking at the wrong things concerning the Aquino government.

Listen:

"Steps towards the achievement of lasting industrial peace have been taken that are compatible with the newly restored democratic environment. Leaders of labor and industry--with the active support and cooperation of both the minister of labor and employment and the minister of trade and industry--are close to forging a framework for achieving industrial harmony.

"There may have been a spate of strikes, some called for valid causes; other unjustified. I ask you, however, to have patience and understanding, for this is but part of our difficult adjustment to democracy after 14 years of repression.

"I assure all that at the end of the day, my government will have an industrial relations policy founded on a regime of free collective bargaining with great stress placed on voluntary conflict resolution. We have improved, in the meantime, the purchasing power of our working force by bringing down the price of prime commodities.

"The political situation has normalized."

As Vice-President and Foreign Minister Laurel eloquently proclaims, the situation has not stabilized. Anything can happen to the Aquino government anytime, he says. The communist-led insurgency remains unchecked. Neither employment nor purchasing power has improved. More jobs have been lost than created. Incomes have dropped, not increased. And there is no industrial peace. If the most the government can say is that "at the end of the day, there will be industrial peace," then the most it will get is what in fact it got--"at the end of the day, we may decide to invest." Wait and see. No firm commitments.

With due apologies to the President's speechwriters, the Singapore speech was a poorly crafted salesman's piece, not a President's. For all the problems she faces, she could have focused a little bit on some vision she has for the country, if not the region, a grand design of what she wants to do as leader of a "revolutionary government." Instead, she chose to describe a situation that only half-existed. No vision, no grand design, not a whisper of that.

In Jakarta, the President had the opportunity to impress upon President Suharto her grasp of, and concern about, the major problems that have long rent the country's southern backdoor, and disturbed Manila's relations with Kuala Lumpur. As chairman of the ASEAN standing committee, aside from being a concerned neighbor, Indonesia wanted to discuss the Sabah question and the MNLF problem, before going to Manila for the ASEAN summit next year. This was completely understandable and to be expected, given the Malaysian prime minister's position that he would come to Manila only if the Sabah question shall have been resolved by then.

But no serious discussion on the two inter-related questions was possible. Mrs Aquino had not prepared for it, and none in her government had thought the twin issues would come up at all. In fact, some senior members of her government were pretty confident Suharto would avoid anything as serious in the official conversations. They were wrong. Suharto had wanted to cover some read ground. The Philippine side was not prepared for anything more profound or more complicated than some redundant agreement and the Indonesian and Singaporean stamp on the President's passport before she goes to Washington in September.

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CSO: 4200/1370

MILITARY STUDY SAYS COMMUNIST TAKEOVER POSSIBLE

HK271410 Manila THE MANILA TIMES in English 27 Aug 86 p 15

[Text] The military has carried out a comparative political study of Third World countries, including the Philippines, which showed there is a dangerous tendency of a communist takeover of regimes formerly under a dictatorship even if the revolutions that toppled them were staged with the overwhelming support of non-communist but disgruntled populace.

The undated "confidential" though as yet incomplete study likewise showed that the Philippines possesses the same political and economic traits as Vietnam and Nicaragua.

All three countries, for example, have undeveloped economies heavily dependent on foreign aid and controlled by corrupt and inept leaders.

The legitimate grievances aired by the masses have been espoused by the local communists as rallying banners to try to attain their goals.

In both Vietnam and Nicaragua, the opposition were disunited; a trait similar to the Philippine experience until President Aquino surfaced and united the opposition.

In ousting the dictators, the clergy (Buddhists in Vietnam and Catholics in Nicaragua and the Philippines) played vital roles.

However, the countermeasures in the two other countries were "ineffective" in turning back the communists.

The study insinuated that the same might happen to the Philippines because the military, the "main agency committed" to stop the communists, is gaining "little support from other agencies."

Meanwhile, hundreds of military officers due to be eased out from the military service recently received a reprieve after Gen. Fidel V. Ramos, the new armed forces chief of staff, approved during a general staff meeting the suspension of section 10 of Presidential Decree (PD) 1638 requiring the "lateral attrition of officers who have not received promotion for a specified period of time."

The suspension of the provision was apparently aimed at dispelling rumors that the new armed forces planned to purge not only enlisted men but also company- and field-grade officers (officers ranked from second lieutenants to colonels) suspected to have been close to deposed Presidency Marcos.

A Camp Aguinaldo press statement said Ramos submitted his general staff's recommendation to Defense Minister Juan Ponce Enrile for approval.

Sources said the recommendation was "as good as approved" because Enrile said he would favorably act on it once it reached his desk.

Under said provision, a captain will be discharged from the military service if after five years or after reaching 33 years of age he still has not been promoted.

The same would happen to majors and lieutenant colonels who are not promoted after six and seven years of service, or after reaching the age of 39 and 46 years, respectively, without earning promotions.

A source inside Camp Aguinaldo said Ramos approved the suspension of lateral attrition because there is a very limited quota for promotions.

Camp Aguinaldo also said the military is still studying possible amendments to PD 2334, which requires the yearly renewal of reserve officers called to active duty (CAD).

The proposed amendment would peg the CAD's extended tour of duty (ETAD) from one to three years.

After 10 years of continuous service, the CAD will be exempted from reversion to inactive duty except for cause or upon his own request.

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CSO: 4200/1370

PANEL UNABLE TO MEET DEADLINE FOR CONSTITUTION

HK270826 Hong Kong AFP in English 0823 GMT 27 Aug 86

[Text] Manila, Aug 27 (AFP)--A commission created by President Corazon Aquino to draft a new constitution will not be able to meet its self-imposed September 2 deadline, the head of the panel said here Wednesday.

"It's physically impossible for us to do that," commission president Cecilia Muzon-Palma told AGENCE FRANCE-PRESSE, confirming widespread speculation here.

The former Supreme Court justice and MP said 40 percent of the constitution still had to be debated, including the declaration of principles and articles on education and human resources.

Mrs Palma would not say when the panel expected to finish the constitution, which must be approved by voters in a national plebiscite for it to replace a temporary charter under which Mrs Aquino rules.

If it is approved this year, elections for a new legislature and local government posts are expected to be held in early 1987.

The 48-member commission began its work June 2 and gave itself until September 2, on Mrs Aquino's urging, to finish the new charter.

Mrs Palma did not give any new deadline. The commission's work has been hampered by walkouts and near-resignations by some of its members over differences on economic issues and questions of nationalism.

Asked if the constitution would be ready before Mrs Aquino leaves for the United States in mid-September, she said: "We are not making the trip of the president a factor in our work."

Mrs Aquino abolished the 1973 Constitution in March, a month after the revolt that toppled Ferdinand Marcos, in favor of the temporary charter that gives her vast lawmaking and other powers.

"Please be quick," she told the commission at its June 2 inauguration.

Five commissioners who had earlier vowed to resign decided Wednesday to come back in response "to our people's wish for us to return."

But noted film director Lino Brocka, like the five, a member of the so-called nationalist bloc in the panel, said he was not returning after being absent since he walked out last week.

The five commission members had walked out to protest their colleagues' alleged pro-foreign leanings.

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CSO: 4200/1370



OFFICIAL SEES 2-PRONGED CAMPAIGN AGAINST CHARTER

HK261452 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 26 Aug 86 pp 1, 2

[Article by Melchor Parale]

[Text] Government Reorganizational Minister Luis Villafuerte charged yesterday that leftist and rightist elements will join hands in a two-pronged nationwide campaign for the people's rejection of the new Constitution.

Villafuerte based his assessment on recent developments in the Constitutional Commission [Concom], where six members have threatened to resign, and the open defiance of the new government by forces still loyal to deposed President Marcos.

"We can imagine Concom member Jaime Tadeo and former MP Leonardo Perez standing in one platform calling upon the people to vote down the new constitution," Villafuerte told newsmen at the weekly Kapihan sa Manila [Coffee in Manila] forum at the Manila Hotel.

Tadeo was among the Concom members belonging to the so-called nationalist bloc who walked out of a plenary session last week in protest over the defeat of their charter proposals.

Along with fellow nationalist Jose Suarez, Wilfrido Villacorta, Minda Luz Quesada and Ponciano Bennagen, Tadeo indicated they will campaign for the rejection of the new charter.

Perez, political affairs minister under the Marcos regime, has urged President Aquino to call new snap presidential elections in the light of uncertainties plaguing the country.

Villafuerte said President Aquino will have two options in the event the new Constitution is disapproved in the plebiscite.

He said Mrs Aquino could either resign or call new elections for a constitutional convention to write a new charter. He said the latter option would be more tenable for Mrs Aquino, although it may prolong the revolutionary nature of the government.



In the same forum, former Labor Minister Blas F. Ople, leader of the opposition in the Congress, predicted that the Communist Party of the Philippines [CPP] will eventually become a major political party to fight for government posts through peaceful electoral means.

Former MP Renato Cayetano, NP secretary general, said his party will oppose the recognition of the CPP as a legitimate political party to field candidates in the coming polls if it did not dismantle the New People's Army.

"If the CPP is to be allowed to maintain its military arm, the other political parties should not be prevented from forming their own armies," Cayetano said.

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CSO: 4200/1370

AGRICULTURE MINISTRY CANCELS LOANS WORTH \$55 MILLION

HK271538 Quezon City BUSINESS DAY in English 27 Aug 86 p 6

[Text] The Ministry of Agriculture and Food (MAF) cancelled \$55 million worth of foreign loans from the Asian Development Bank (ADB) and the World Bank intended for three projects.

The cancellation was announced by Agriculture and Food Minister Ramon Mitra during a press conference yesterday. The government decided to revoke the loans due "to oppressive conditions and poor packaging," Mitra said.

"The loans were poorly packaged. The terms were bad and oppressive. We have to comply with certain conditions which are not attainable," he said.

The cancelled loans were a \$22-million aquaculture inputs loan from the ADB; a \$18-million national fisheries project loan from the World Bank; and a \$15-million agricultural support services loan also from the World Bank.

These loans, although approved several years ago during the previous administration, have not been used up due to the lack of peso counterpart funds from the national government.

MAF officials also claimed that the project loans were so big that they have become unmanageable, resulting in poor and slow disbursement.

For instance, the \$15-million agricultural support services loan was originally worth \$45 million. Slow disbursement, however, prompted the MAF to redesign the package and cut the amount to only \$30 million.

Despite the scaling down of the loan, only \$6 million has been used up since the loan was granted in 1981. In order to fully utilize the loan, a total of P400 million in budget appropriations, including the peso counterpart funds, will have to be made available yearly until the loan is terminated in 1988.

Lack of counterpart funds resulting in slow disbursements is true for all projects, an agriculture official pointed out. This causes a lot of unnecessary expenses on the part of the government in terms of commitment fees, he said.

According to Mitra, the government is paying about \$40,000 a month in commitment fees for these three project loans even if they are not being used. "It will cost us a lot if we keep these projects going."

He said the government has asked both lending institutions to repackage the loans. However, the request was denied. The ADB informed Mitra that instead of repackaging the loans, the government should design new projects. He said the ADB has available funds of \$750 million for viable projects.

According to the minister, the government will "no longer accept loans which will not suit our needs." He said most projects became unviable because of the loan terms involved.

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CSO: 4200/1370

'MANY' MNLF COMMANDERS WARY OF PEACE TALKS

HK271444 Manila PHILIPPINE DAILY INQUIRER in English 27 Aug 86 pp 1, 6

[Article by Melvin Uy]

[Text] Top commanders of the Moro National Liberation Front approach with extreme caution President Aquino's initiative to settle on the negotiating table the 14-year Muslim secessionist war in Mindanao.

"We want an end to bloodshed, but we are combat ready--just in case," said Randy Karon, 32, one of the top MNLF commanders in Cotabato. Slim, well-built, Karon is a member of the Utara Kutawato State Revolutionary Committee (UKSRC).

"We are still on war footing," said Hussein Habbas, 34, a UKSRC political officer.

The MNLF, Habbas said, has learned the hard way how the Manila government holds "peace talks." He recalled that hardly had the ink dried on the Tripoli Agreement and a subsequent ceasefire pact when the Marcos regime launched a big offensive that "demolished" the main MNLF camps.

The Tripoli Agreement, signed by President Marcos in December 1976, grants Muslims self-rule in central and southwestern Mindanao. The pact, sponsored by the Organization of Islamic Conference, was honored more in breach by the MNLF and the Marcos regime.

Karon, who already lost five members in his family in the bloody war that has claimed more than 100,000 lives, accused Marcos of using the peace talks to gain information of the whereabouts of major MNLF camps. As a result of the debacle, Karon said that the MNLF "shuns journalists as a matter of policy."

Karon compared Ms. Aquino with her predecessor when she imposed a condition for the holding of the peace talks the unity of all feuding MNLF factions.  
[sentence as published]

The three warring MNLF factions, however, have set aside differences temporarily and designated MNLF chief Nur Misuari as their spokesman in the

forthcoming talks. Misuari recently concluded in Libya preliminary talks with Agapito "Butz" Aquino, the President's brother-in-law. Misuari has likewise indicated willingness to talk things out with Ms. Aquino herself.

Still, Karon said, the split in the MNLF continues to weaken the MNLF. The original MNLF, headed by Misuari, has splintered into two other groups: one faction, the Moro Islamic Liberation Front, headed by Kassim Salamat; and the other, the so-called MNLF reformist group, led by Dimas Pundato.

Karon said clashes among these factions is not unusual.

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CSO: 4200/1370

COLUMNIST HITS SIN'S NON-MENTION OF COMMUNISTS

HK280339 Manila MANILA BULLETIN in English 27 Aug 86 p 6

[From Jesus Bigornia's column: "Why Didn't Sin Mention the Red Menace?"]

[Text] His Eminence Jaime Cardinal Sin was less than candid in pillorying the politicians for the continued instability of the Aquino regime. In his homily of last Friday, the prelate, either inadvertently or purposely, evaded mention of the communist menace as a major factor in the unsettled political situation here. True enough, greed and personal ambitions have again surfaced, not only in many segments of Philippine society but also in almost every rung of the government hierarchy. Nevertheless, Filipinos living in a work-a-day world perceive communism as the No 1 threat to Philippine Government and society.

Possibly, the head of the Holy Roman Catholic Church in the Philippines sought to evade a clash with the so-called "activists" in the clergy, notably those affiliated with or working for the communist-controlled Christians for National Liberation. For, as reported by the Asian Studies Center, this organization has won as many as 1,200 or the 14,000 priests and nuns of this country. Again, according to the report, these activists priests and nuns hide their affiliation with the Communist Party of the Philippines (CPP) while they seek to reshape church social programs even as they assist the Communist Party's propaganda efforts.

To many of the faithful who heard the prelate in person or read about his homily in the press, the sermon rang hollow for skirting the communist issue. Where devotees expected a restatement of the church's position on the alien ideology, they received a vague lecture on "ugly head rising." They missed the battling cardinal of the Marcos era who did not hesitate to call the errors of the then President for what they were. For all the timidity of Cardinal Sin's homily, Filipinos still hope that the church leader may yet come out with a ringing challenge to the communist menace.

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CSO: 4200/1370

FORMER SENATOR SEEKS PARTY FACTIONS' MERGER

HK280931 Hong Kong AFP in English 0825 GMT 28 Aug 86

[Text] Manila, Aug 28 (AFP)--Former senator Jose Laurel has called for a merger of the Nacionalista Party with followers of his younger brother, Vice President Salvador Laurel, and a faction identified with Defense Minister Juan Ponce Enrile.

Mr Laurel, 75, told a testimonial dinner in his honor Wednesday that the reunited party would then be able to resume leadership in Philippine politics "either in support or in opposition to" the government of President Corazon Aquino.

The Nacionalista Party, formed in 1980, is one of the two oldest political groups in the country which had alternately ruled the Philippines until 1972 when now deposed President Ferdinand Marcos imposed martial law and began one-man rule.

Mr Laurel called for a "realignment of forces united under Unido [United Nationalist Democratic Organization] and the KBL (New Society Movement)," which Mr Marcos created from factions of the Nacionalista and other parties in 1978.

The Nacionalista Party's Laurel wing is the main force behind the United Nationalist Democratic Organization (Unido), which was the party vehicle of Mrs Aquino when she challenged Mr Marcos in the February presidential elections.

Unido is now part of a quarrelsome pro-Aquino coalition which came to power following a popular uprising triggered by a fraudulent election in which Mr Marcos was declared the winner.

"I invite the members of the (former Senator Jose) Roy wing to make common cause with us in this common objective," Mr Laurel said, referring to a Nacionalistia faction which has publicly endorsed Mr Enrile for the presidency.

The faction now includes many former members of the now-decimated KBL, which questions the legitimacy of the Aquino government.



Mr Enrile was a long-time supporter of Mr Marcos until he led a military mutiny which triggered the revolt that sent the former president into exile.

The defense minister, like Vice President Laurel, is seen here as squabbling with some members of the Aquino cabinet, notably with members of the PDP-Laban [Pilipino Demokratic Party-Lakas ng Bayan], the other main party in the Aquino coalition. Mr Enrile also sometimes criticizes Mrs Aquino's centrist policies.

The elder Mr Laurel said the pro-Enrile politicians "are welcome to join us."

"Together we can choose a common leader whose loyalty shall be to the Nacionalista Party itself and not to any particular leader, faction or wing," he added.

Spokesmen for the pro-Enrile faction could not be immediately reached for comment.

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CSO: 4200/1370

FORMER SPEAKER TO FACE CORRUPTION CHARGES

HK280445 Manila PHILIPPINE DAILY INQUIRER in English 27 Aug 86 pp 1, 6

[Article by Chay O. Florentino]

[Text] Former Batasan Speaker Nicanor Yniguez will be charged with malversation before the Tanodbayan for failing to "satisfactorily" liquidate at least P39.86 million in cash advances, Commission on Audit [COA] Chairman Teofisto Guingona disclosed yesterday.

Guingona said Yniguez, now acting president of the Kilusang Bagong Lipunan, allowed Finance and Logistics Bureau Director Jocelyn Estrada and the executive assistant head of the Office of the Speaker, Rosette Yniguez Lerias, to accumulate a total of P61.15 million cash advances. Lerias is Yniguez's daughter.

The total amount was withdrawn between March, 1985 and February, 1986. The two subordinates of Yniguez, along with the secretary general of the Batasang Pambansa, Antonio de Guzman, tried to liquidate their advances through personal certifications which were approved by Yniguez himself.

In several instances, Yniguez issued his own personal certifications to liquidate the cash advances. The certifications submitted by the Batasan officials accounts for P39.86 million.

Guingona said that in the absence of substantial and lawful liquidations, the certifications which are "self-serving" cannot be allowed in audit.

An examination of the liquidations showed that the purpose stated in the liquidation was different from that contained in the cash advance. In some cases, the dates on the certifications and the vouchers were identical, leading government auditors to suspect that the certifications were accomplished hastily.

Guingona added that the amount reflected in the official receipts attached to the vouchers did not tally with that in the certification, while the certifications were not signed by the accountable officers. The latter observation suggested a transfer of funds even without the authorization from responsible officials, Guingona said.

The withdrawals of the cash advances became "frequent and progressively heavy" as the Feb. 7 presidential election approached, Jose David, COA resident auditor at the Batasan, said.

The same advances were allegedly used for the following purposes: public hearings and committee meetings, legislative proceedings of the Batasan, operating expenses, population control program, preparation/deliberation and approval of the Batasan budget, and legislative proceedings of the Batasan, among others.

Guingona said a further audit is being made of the remaining balance of the P61.15 million cash advance, amounting to P21.29 million. Of this amount, P9.36 million remains unliquidated even by mere certifications, P9.94 million cash advances were discovered to have been withdrawn by members of parliament, and P1.9 million was allowed in audit.

Yniguez and his subordinates will face charges for failing to clear themselves within a 30-day grace period which expired last Aug. 21. The demand letter sent by the resident auditor at the Batasan sought a "restitution" or a refund of the total P61.15 million cash advance.

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CSO: 4200/1370

ORGANIZED LABOR QUESTIONS LEGALITY OF STRIKE RULES

HK271554 Quezon City BUSINESS DAY in English 27 Aug 86 p 3

[Text] The organized labor sector yesterday questioned the legality of the Ministry of Labor and Employment's (MOLE) soon-to-be-released guidelines on labor relations, saying it lacks the official executive order to back them up.

In a meeting yesterday, labor groups belonging to the Labor Advisory Consultative Council (LACC) and the Trade Union Congress of the Philippines (TUCP) decided to press for the issuance of an executive order by President Aquino, instead of the Labor Ministry's guidelines.

The labor groups said the MOLE guidelines—which contain the Labor Day pronouncements of Aquino and other amendments to the Labor Code—can be issued only after the necessary presidential directive is signed.

"How can you issue implementing guidelines when there is no executive order?" asked lawyer Rolando M. Olalia, chairman of the Kilusang Mayo Uno [1 May Movement] (KMU), a member of the LACC.

Olalia said legal questions may arise if the ministry guidelines are released ahead of the executive order.

He recounted that during the administration of former Labor Minister Blas F. Ople, the MOLE issued guidelines to implement a wage order signed by President Marcos. The ministry however, amended the wage order, resulting in confusion that gave rise to legal questions that eventually reached the Supreme Court.

The high tribunal ruled that the ministry had no right to amend a wage order, a presidential directive or any other law through mere implementing rules. "Only a law can repeal another law" was the principle that was used as the basis of the court's decision.

Olalia also noted that the draft guidelines have amended even the May 1 announcements of Aquino. An example, he said is the provision calling for the submission of the strike vote results seven days before an intended strike. Aquino said last May 1 that in union-busting cases, the union may ignore the 15-day cooling-off period and proceed with the strike, he said.

Labor Minister Augusto Sanchez failed to sign last week the MOLE guidelines on labor relations. The guidelines are currently being reviewed by Malacanang.

The non-issuance of the executive order and the delay in the release of the ministry guidelines are affecting the second national tripartite conference scheduled next months. One labor group wants the conference to push through, but the majority wants it postponed.

Bonifacio Tupaz, secretary general of the Trade Union of the Philippines and Allied Services (TUPCAS), said he wants the conference to go on as a "venue for airing the grievances of labor."

Tupaz however noted that out of the eight major pronouncements of Aquino last May 1, only the 13th-month pay directive has a supporting executive order.

LACC and TUCP want the conference postponed until the release of the executive order to implement the labor policies announced May 1.

Reacting to the statement of the Employers Confederation of the Philippines (ECOP) that the business sector was not consulted in drafting the ministry's guidelines, Olalia said LACC was also not consulted. "The draft guidelines were already finished when we were called by the minister (to a meeting)," he said.

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CSO: 4200/1370

**NAMFREL TO MONITOR LABOR INTENSIVE PROJECTS**

HK281202 Manila THE MANILA CHRONICLE in English 28 Aug 86 p 9

[Article by staff member Raul Marcelo]

[Text] The government has deputized the National Citizen's Movement for Free Elections (Namfrel) to act as a watchdog for the labor-intensive projects to be undertaken under the emergency employment program (EEP).

A memorandum of agreement appointing Namfrel was signed yesterday between the National Economic and Development Authority (NEDA) and the Ministry of Budget and Management (MBM) for the government side and the watchdog group.

The agreement was signed by Budget Minister Alberto C. Romulo, Economic Planning Minister Solita C. Monsod and Namfrel national vice-chairman Edgardo J. Angara.

The Namfrel will help monitor the projects, particularly those in the countryside to ensure that the public money earmarked for them is not diverted.

Under the agreement, the NEDA will furnish Namfrel with a list of projects to be undertaken by the different ministries and local government units as well as its guidelines for distribution to the Namfrel affiliates in the provinces.

The Namfrel will then "closely and effectively" monitor the projects and activities under the EEP based on the NEDA guidelines.

The Namfrel affiliates in the provinces are to provide the NEDA regional offices with feedbacks on projects they monitored.

The Namfrel chapters have also agreed to submit to their national office, which will in turn forward to the NEDA, regular progress reports on its monitoring of projects and activities under the EEP.

Meanwhile, the Ministry of Budget and Management (MBM) has released P2.93 billion or 74.36 per cent of the P3.9 billion allotted for the EEP as of August 22.



The P3.9 billion is to finance 12,527 labor-intensive projects throughout the country to create 683,549 new jobs between July and December this year.

Of the 15 government ministries and agencies involved in the program, only the Maritime Industry Authority has not received its allocation of P1 million.

The bulk or P2.1 billion of the funds released as of August 22 went to the Ministry of Public Works and Highways (MPWH), which is considered the lead agency in terms of the number of projects to be handled.

The MPWH has thus far received 85 per cent of its P2.5 billion allocation.

The MPWH, which accounts for 64 per cent of the budget for the employment generation program is expected to generate 25.842 million man-days of employment equivalent to some 430,000 workers.

Local government units, on the other hand, have received more than half or P419.74 million of their P714.5 million allocation under the EEP.

The local government units are expected to generate 126,860 new jobs with its fund allocation by December.

The Ministry of Agrarian Reform (MAR), which is expected to create 4,205 new jobs, has received P30.8 million of its P43.8 million allocation.

However, the Ministry of Natural Resources (MNR), the fourth biggest employment generating agency with a target of 32,273 new jobs, has only received P79.46 million of its P200 million allocation.

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CSO: 4200/1370

COLUMNIST CRITICIZES GOVERNMENT DEBT-EQUITY PLAN

HK271551 Quezon City ANG PAHAYAGANG MALAYA in English 27 Aug 86 p 4

[Column by Renato Constantino: "Legalizing National Bondage"]

[Text] President Aquino told the members of the Con-Com in their opening session that she was not going to interfere with their work. The body charged with the task of writing a fundamental law that would affect the lives of generations of Filipinos was to be independent.

One wonders whether the President was serious when she uttered these words. If she was, then her policies, especially in the economic field, should not preempt the work of the commission. But even before the commission debated the provisions on the economy, the Aquino government had already made its decisions in negotiations with the IMF and the creditor banks. The job of the Con-Com now is to accommodate them.

One wonders whether the President and her advisers in fact selected a sufficient number of commissioners whose ideas coincide with the administration's basic economic philosophy. One wonders whether the commissioners who resigned were selected for purposes of tokenism.

After renewing ties with the IMF group and recycling the Marcos-Virata recovery formula in NEDA's Policy Agenda for People-Powered Development, the Aquino technocrats laid down the groundwork for the greater role of foreign interests in the economy through the so-called "debt-equity plan" of Ongpin and Monsod.

The technocrats were not bothered at all about the constitutional debates on protectionism and foreign equity given the advanced stage in the preparations for the implementation of the new blueprint to attract foreign investors.

At any rate, the Aquino government has already issued Executive Order No 32 which provides for the conversion of Philippine external debt into equity investment in local undertakings. Consequent to this, the Central Bank released in the first week of August Circular 1111 outlining the mechanics for the implementation of Executive Order No 32.

Jaime Ongpin, in a recent press briefing, announced that selling the debt-equity plan to the Americans will be the economic highlight of Pres. Aquino's forthcoming visit to the United States in September.

#### Selling debt?

As presented by the technocrats, portions of the foreign debt now running at \$27 billion will be sold to prospective foreign buyers in exchange for commercial papers at attractive discount rates of 30-40 per cent. These papers, in turn, will be bought by the Central Bank at their full-peso value on condition that the proceeds will be used to buy into local enterprises.

The ebullient Ongpin forecast that \$1.5 billion of the foreign debt will immediately be bought under this scheme. This figure looks small in relation to the total foreign debt. However, this sum is roughly equal to the total amount of foreign investments generated in the decade of the 1970s under the open-door policy of Gerardo Sicat and Cesar Virata. A high estimate puts \$14-15 billion of the foreign debt ultimately being sold. This amount will be more than enough to buy all the major enterprises in the country.

#### And who will be the buyers?

When the idea was still being floated in May and June, Ongpin was mentioning Filipinos who may have stashed dollars abroad during the Marcos years. But now, the new technocrats do not hide the fact that the major buyers will be the foreign bankers themselves through their investment divisions.

Note that \$14.5 billion of the total foreign debt are owed to the foreign commercial banks, which are the ones most interested in the scheme.

In short, the foreign banks will buy their own loans from which they have for years been making huge profits through interest charges. But this time, they will be making bigger profits because of the huge discount rates. To top it all, they will be owning choice enterprises in the Philippines.

What are these enterprises? They are supposed to be in areas chosen by our government. The Monetary Board listed export products, service-oriented industries that earn foreign exchange, labor-intensive industries, mass housing, health care services or the construction of health care facilities, agricultural goods and services. Then there are the government's non-performing assets.

Though interested, foreign investors want still better terms. For example, foreign banks are eyeing local banks but want at least 51 percent control, not the 40 percent maximum now allowed by law. Actually, under this scheme, foreign investors may own as much as 100 percent of a particular enterprise unless the constitution imposes definite limits. Given the mood of the Con-Com majority, it will probably provide the loopholes needed. The debt-equity program, while not allowing foreigners to own land, lets them use land a 99-year lease through a holding company 60 percent owned by Filipino citizens.

Philippine dependence on foreign loans will now be transformed into deeper Philippine dependence on foreign investments. New roles--same masters. The difference: investments will give these foreign interests greater control over the Philippine economy.

No wonder Ongpin reported that the Advisory Committee of the 483 foreign banks did not object to the scheme. Why should they? The scheme is to their interest.

But is it to the interest of the Filipino people?

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CSO: 4200/1370

COLUMNIST VIEWS DIFFERENCES IN CROWD ESTIMATES

HK280305 Manila THE MANILA CHRONICLE in English 27 Aug 86 p 4

["A Manner of Speaking" column by Arlene Babst-Vokey: "Politics of Crowd Estimates"]

[Text] MALAYA said 15,000, thinning out to 5,000. The INQUIRER reported 20,000; the CHRONICLE 50,000; and the EXPRESS 100,000. They were all giving estimates of the crowd of Marcos supporters at a funeral last Sunday.

From 15,000 to 100,000 is quite a range, the second figure almost seven times the first. And yet disparities of this sort are common in crowd estimates hereabouts, particularly if the rally or occasion is political in nature.

There is hardly any scientific basis for crowd estimates among our newspapers, no routine and uniform procedure to determine how many upright bodies can actually fit into a given area.

In the given example, the EXPRESS being a known Marcos paper, its published figure would be predictably high; MALAYA being anti-Marcos would also predictably print a much lower calculation. Neither figure is helpful to the reader who is left wondering where the 85,000 bodies between the two given figures could have gone, and what the political impact of such a small or such a large crowd could have on his own innocent life.

The exaggeration or diminution of crowd estimates has, of course, long been a propaganda tactic of every group, whether political or religious. All wish to impress the general public with size and drawing power. The device goes with the thinking that strength lies in numbers, and that the psychological impact of a potential mob or constituency, whichever way the emotional wind blows, can contribute to swaying the observer towards one's side.

In the Philippines, those covering Cory Aquino's presidential campaign from November to February were astounded at the size of the crowds that came out to meet, see and hear her. Yet many commentators, even those not on the payroll of Marcos, insisted that it was one thing to get the crowds and another to transform them into voters. To add to the uncertainty, there was Doy Laurel giving his own crowd estimates--Mr Laurel had by then firmly

achieved the reputation of an assessor who quadrupled (at the very least) crowd estimates if they came to see him (that is, him beside Cory Aquino), and divided them as drastically if the crowd was at the other side's rallies.

Now that some newspapers are attempting to achieve basic journalistic objectivity, a uniform formula for estimating public gatherings should be drawn up. Perhaps a qualified mathematician and city engineer can measure Rizal Park, trees, statues and all, to give us the authoritative figure for the number of people that can be packed into the area. Similar measurements can be made of Ugarte Field in Makati, and the Liwasang [Plaza] Bonifacio.

Then we can stop this journalistically and politically amateur way of gauging the size of crowds and instead arrive at factual estimates that really tell us who and what cause or ideology brings out the crowds, and what this will mean for our personal and collective future.

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CSO: 4200/1370



**BANKS SEEK HIGHER INTEREST ON EXCESS CASH**

HK271515 Quezon City BUSINESS DAY in English 27 Aug 86 p 2

[Article by reporter Daniel C. Yu]

[Text] Commercial banks are asking the Central Bank [CB] to increase the interest it pays on pesos deposited by banks with the CB as reserves in order for them to reduce their cost of operations so they could lower the interest rates on lending.

Banking industry sources told BUSINESS DAY the proposal was prompted by the continuing soft loan demand despite the reduction in lending rates.

In addition, the reserve positions of commercial banks today are way above the legal requirement which means that banks not only have enough deposits to meet sudden withdrawals but also have excess funds for lending.

Sources said the Bankers Association of the Philippines (BAP) has already submitted a letter to CB governor Jose B. Fernandez Jr. on the possibility of increasing the interest on bank reserves deposited with CB.

At the moment, the CB pays a 4 percent interest on peso deposits of banks both for deposits covering the legal reserve requirement as well as excess reserves.

Sources said the BAP did not indicate the interest rate it wants paid on these deposits but only expressed the need for an adjustment so banks, which today are awash with cash, can recoup part of the cost of carrying so much money.

For the first time in over 16 months, the combined reserve position of commercial banks last July 21 to 25 exceeds the CB requirement P798 million. This excess reserve condition continued the following week, reflecting the highly liquid position of the banking system today.

The banking system has been suffering from a chronic reserve deficit position in the last several years, which reached a peak in early March this year when the reserves deficit hit P5.1 billion.

Prior to last month, the last time commercial banks managed to meet the legal reserve ceiling was in January and February last year, when banks posted excess reserves of P759.4 million P29.1 million, respectively.

In addition to the anemic loan demand, another principal reason for the banking system's liquidity is the decision of monetary authorities to loosen its grip on critical monetary instruments controlling the level of money in the system.

On such instrument, the reserve requirement, or the amount of deposit money banks are required to set aside to meet any sudden and massive withdrawal, has been reduced to 21 percent from 24 percent before September 1985. This means that today banks need to set aside only P0.21 for every peso of deposit as reserves.

For banks today, meeting the legal reserve requirement is no longer a problem. Banks have in fact more than enough deposits with them to meet the 21 percent reserve ceiling set by monetary authorities.

This overly liquid position is now worrying banks because they are losing money on the idle funds since there are no borrowers. In the meantime, commercial banks continue to pay interest on deposits from small savers as well as institutional and corporate depositors.

By asking the CB to increase the interest on their peso deposits, bankers are in effect asking monetary authorities to help them cover part of the cost of carrying so much excess funds in their vaults.

CB sources, on the other hand, told BUSINESS DAY yesterday that while they do understand the predicament of banks today, increasing the interest on the banks' peso deposits may not necessarily translate into lower lending rates.

Some monetary authorities feel that banks would more likely use the additional income from the higher interest, if approved, to contain the profit squeeze they are experiencing.

For the past two years, due to the soft loan demand, banks have been relying heavily on income from their foreign exchange holdings as well as investments in government securities.

With the foreign exchange rate stabilizing and with the interest on government securities declining, banks are faced with very limited alternatives where they could put their excess funds.

The CB wants banks to be more aggressive in finding borrowers now that interest rates are very low.

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CSO: 4200/1370

ECONOMIC INDICATOR REPORTS WHOLESALE PRICES DECLINE

HK261224 Quezon City BUSINESS DAY in English 26 Aug 86 p 2

["Economic Indicator" column: "Wholesale Prices Fall in May"—figures in chart followed by "R" are as published]

[Text] Wholesale prices of selected goods, in Metro Manila, as measured by the wholesale price index (WPI), dropped in May this year, according to indices recently released by the National Census and Statistics Office (NCSO). The WPI for all items during the month, using 1978 as base year, stood at 403.4 index points, down 1.15 percent or 2.7 index points from last year's 408.1 index points.

The lower WPI was due to the decline in the price indices of mineral fuel, lubricants and related materials (14.75 percent), crude oil except fuel (11.25 percent), and chemical including animal and vegetable oils and fats (9.35 percent).

During the month in review, the WPI for mineral fuels, lubricants and related materials showed an 81.9-index point decline, from 555.3 index points in May last year to only 473.4 index points in the same month this year. The price index for crude material except fuel fell to 302.2 index points from 340.5 index points, while that of chemicals including animal and vegetable oils and fats registered a 32.6-index point slide from 348.6 index points to 316 index points.

The WPI measures the monthly changes in the general price level of commodities at which wholesalers sell their products. It is computed as the ratio between the wholesale prices of various commodity groups during the reference period (1986) and their wholesale prices during the base year (1978).

[Table on following page]

General Wholesale Price Index in Metro Manila  
(1978 - 100)

Year/ month	All items	Food	Bever- ages & tobac- co	Crude mater- ials except fuel	Mineral fuels, lubric- ants & related mater- ials	Chem- icals includ- ing animal & vege- table oils & fats	Manu- factured goods class- ified chiefly by ma- terials	Machi- nery & trans- port equip- ment	Miscel- laneous manufac- tured articles
1985	409.3	457.9	322.1	325.3	562.4	337.5	356.3	351.0	441.0
Jan	415.8	465.0	305.4	370.2	593.6	356.6	338.9	318.5	417.9
Feb	408.9	454.9	306.6	359.3	579.6	345.4	339.7	327.4	418.1
Mar	414.7	453.4	323.2	365.4	568.4	363.9	352.1	355.0	426.1
Apr	411.4	448.9	323.2	356.7	555.3	363.5	356.6	355.1	427.4
May	408.1	448.1	324.0	340.5	555.3	348.6	357.4	355.0	438.3
Jun	407.5r	453.6	326.1	319.5r	555.3	338.7	360.0	355.3	442.6
Jul	409.7	462.1	328.9	310.0	554.4	334.8	360.2	355.4	448.5
Aug	403.4	452.0	327.4	249.7	557.2	323.7	360.3	356.6	448.6
Sep	404.6	456.3	327.4	298.1	556.6	319.5	359.7	356.0	453.9
Oct	406.3	460.0	320.4	296.6	556.8	320.0	360.7	358.4	453.8
Nov	409.2	466.3	325.8	292.7	556.6	322.3	364.6	358.4	455.3
Dec	412.6	473.7	327.1	294.6	559.4	313.3	366.0	360.1	461.6
1986									
Jan	419.9	482.0	333.0	302.9	580.1	318.8	369.6	361.2	463.1
Feb	414.3r	472.3r	329.7	299.5	563.9	315.6	371.5	361.2	468.2
Mar	414.9	469.6	341.6	303.9	569.8	316.8	371.9	361.4	471.9
Apr	404.9	459.1	341.8	303.8	481.0	318.2	372.7	372.5	476.3
May	403.4	457.9	343.0	302.2	473.4	316.0	372.5	371.1	475.4

Source: National Census and Statistics Office (NCsO)

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CSO: 4300/1379

NFA BOARD MAY MANAGE GUARANTEES ON SUGAR CREDITS

HK261507 Quezon City BUSINESS DAY in English 26 Aug 86 p 22

[Text] The National Food Authority's Quedan Guarantee Fund Board (QGFB) has asked to manage on guarantees on quedan loans extended by banks to sugar planters and traders.

QGFB director Galo Garchitorena said Sugar Regulatory Administration [SRA] board member Bibiao Sabino has requested him to draft a memorandum of agreement between SRA and the QGFB outlining details for extending guarantees on loans covered by sugar stocks.

Garchitorena said Agriculture and Food Minister Ramon V. Mitra Jr. has also assured him that guarantee funds would be increased from P160 million to P0.5 billion once QGFB takes over.

QGFB at present guarantees only rice and corn quedan loans.

Under the existing guarantee scheme for sugar quedans, Garchitorena said "there is no peso backing up to assure guarantee payments," although there is a tacit government commitment to guarantee sugar quedans issued by banks.

Sugar traders or planters are given loans equivalent to 80 percent of the value of their stored stocks in bonded warehouses.

Under the planned quedan guarantee scheme, banks which lent to the sugar producers but could not collect on their loans after harvest may convert such loans into quedan receipts by storing the unpaid stocks to make their loans current.

"All that needs to be done is to redocument," Garchitorena said.

Through this planters are saved from arrearages and banks are allowed to make their financial exposures current, he added.

In cases of default on the quedan loans, QGFB will advance the bank 80 percent of the quedan loan, and the burden of collection is on the quedan board. The quedan board will share 80 percent of whatever amount it is able to collect with the bank.

Sugar quedan loans are classified from A to B, depending on market outlets, Garchitorena noted, adding that quedan loans would also have to be graduated according to market values of the stocks.

Sugar A quedans go to the U.S. quota market which are higher priced. B quedans go to the domestic market which are set at a "reasonable price" of P300 per picul. C quedans which are reserve sugar and D quedans are supposed to go to the world market and pegged at prevailing world prices.

Garchitorena said a committee would be formed among SRA, QGFV, Bureau of Domestic Trade Planters' organizations, and banks to determine appropriate the amount of quedan guarantees for each of the four sugar classifications.

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CSO: 4200/1370



NFA APPROVES LOWERING UNHUSKED RICE SUPPORT PRICE

HK271532 Quezon City BUSINESS DAY in English 27 Aug 86 p 6

[Article by reporter Michael D. Marasigan]

[Excerpt] The National Food Authority (NFA) council yesterday approved in principle the lowering of the support price for palay [unhusked rice] from P2.50 to P3 per kilo, a council member told BUSINESS DAY.

The implementation of the cut in the support price, however, will have to wait until the national government releases the budget for NFA's procurement operations.

The government needs approximately P2.6 billion to buy 10 percent of the country's total palay production. At the present support price of P3.50 per kilo, this amount would only buy about 6 percent of the total harvest.

The decision to lower the support price was arrived at yesterday during a special meeting of the NFA council which is composed of the Ministry of Agriculture and Food, Ministry of Trade and Industry, Ministry of Finance, Development Bank of the Philippines, Philippine National Bank, Land Bank of the Philippines, Office of the President and the NFA.

The lowering of the support price for palay is the brainchild of Agriculture and Food Minister Ramon Mitra. However, when he announced this plan a few months back, farmers howled in protest.

The farmers suggested that instead of lowering the support price, the government should increase its budget allocation for NFA's palay procurement operations.

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CSO: 4200/1370

COCONUT EXPORT EARNINGS UP 6.7 PERCENT

HK271451 Quezon City BUSINESS DAY in English 27 Aug 86 p 6

[Text] Foreign exchange earned from exports of coconut products from January to July increased 6.7 percent to \$334.04 million from \$313.2 million in the same period last year.

Preliminary figures from the Philippine Coconut Authority (PCA) also indicated that aggregate volume during the seven-month period increased 113.7 percent to 1,249,277 metric tons (in copra terms) from 584,636 metric tons.

The big disparity between the increase in value and volume was attributed to the lower prices of most coconut products in the world market.

As prices go down, consumers of coconut products tend to consume more to take advantage of the lower prices. Consumers of coconut oil, for example, would prefer to use this commodity rather than buy other vegetable oil like palm oil and soybean oil which are now being sold at higher prices.

The drop in prices ranged from 27.4 percent (activated carbon) to 54.6 percent (coconut oil). Prices for coconut oil are now at their lowest levels. Prices averaged 11.59 cents per pound last July and reached a record low of 9.75 cents per pound last Aug. 12.

Coconut oil accounts for the bulk of coconut exports. Of the total January-July value, coconut oil accounted for 64 percent of \$213.43 million, reflecting an increase of 3.6 percent from last year's \$206.02 million.

In terms of volume, it represented more than half of the total shipment. Exports of coconut oil reached 685,622 metric tons, higher than last year's 300,999.83 metric tons.

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CSO: 4200/1370

EDITORIAL EXAMINES SUGAR CRISIS IN NEGROS PROVINCE

HK280327 Manila THE MANILA CHRONICLE in English 27 Aug 86 p 4

[Editorial: "Negros Reforms Racing Against Time"]

[Text] The U.S. Government's plan to give the Philippines an additional sugar quota of 29,000 metric tons is a drop in the bucket in terms of alleviating the sugar industry's crisis. The 39,000 metric-ton quota represents the 2.3 percent quota share of South Africa which the U.S. intends to take away and transfer to the Philippines. It is part of a package of economic sanctions the U.S. has adopted in response to South Africa's continuing apartheid policy.

The adjustment would raise the Philippines' quota from 13.5 percent to 15.8 percent, or from 167,000 metric tons to 206,000 metric tons. This is a pittance compared with the 980,000 metric-ton quota the country enjoyed during the Laurel-Langley agreement which ended in 1974.

The U.S. market is the only place where the Philippines can sell sugar at a small profit. World raw sugar prices fetch about 5 U.S. cents a pound compared with a cost of production of 12 U.S. cents a pound. They are expected to remain depressed during the next few years.

The danger of this palliative is that it could have the effect of giving planters especially those in Negros Occidental, the heart of the sugar industry, false hopes that if they only wait long enough, the U.S. quota might yet increase further.

Not a few Negros planters are resisting moves to rationalize their operations, hoping a miracle will happen either to lift world prices or to increase the U.S. quota.

The silver lining in Negros Occidental today, despite the social crisis it has plunged into following the collapse of the sugar industry, is that many planters have been forced to make steps to try to revive the economy through crop diversification and land reform schemes, under which farm workers are given access to land for food production.

Part of the reason for this attempt to reorient the province's economy away from utter dependence on sugar is the social unrest that has been fanned by the mass lay-off of farm hands and fall of incomes.

Negros Occidental is probably the most volatile province in the country today and the one closest to the flashpoint of a social revolution.

It is perhaps fortunate that at this critical stage of its economic transformation from a mono-crop economy, it has a young and dynamic governor, Daniel Lacson, who is leading the movement for crop diversification and land sharing schemes.

The plan drawn out by Lacson and his "think tank" composed of representatives from different sectors calls for leaving 60 percent of arable land to sugar, 30 percent to diversified crops (including rice, corn, mung beans, peanuts) and 10 percent for use by farm workers. His group is prepared to give up eventually 10 percent of the land to the workers, although it is not planned to transfer titles to them right away.

The approach is clearly reformist and is intended to defuse social pressures. This also will take time to implement. For all the good intentions of the governor and the conscience-stricken planters, the problem is whether there is time left to prevent a social explosion.

The expected benefits from the additional sugar quota are too marginal to defuse the unrest. The provincial leadership is acting as a mobilization center for the desperate bail out operations for the province. Diversification is being held back by tight bank credit. Most of the planters are unable to pay their loans because of depressed prices and crop diversification requires new capital investments. At least, one can say that the crisis has produced creative leadership in the provincial capitol. One wishes the reforms had come much earlier. They would have had a better chance of success.

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CSO: 4200/1370

**AIRLINE MAKES 61 MILLION PESOS PROFIT**

HK271457 Manila MANILA BULLETIN in English 27 Aug 86 p 17

[Article by Samuel Senoren]

[Text] Philippine Airlines (PAL) flew back into the black during the first three months of its current fiscal year which started in April to earn a net income of P61.7 million on net revenues of P2.4 billion compared with a net loss of P356.8 million and net revenues of P1.87 billion during the same period in 1985.

PAL's impressive turnaround was traced to tight controls and strict management standards imposed by the new president, Dante Santos, who was tapped by President Aquino to run the ailing airline in April.

When he took management control of PAL, Santos' first move was to run the airline as a commercial venture, maximizing revenue potentials and cutting expenses to the bone.

It meant stopping "freebies" and other forms of abuse by government functionaries which were considered routine during the regime of former President Marcos.

During all those years, Santos told BUSINESS BULLETIN, PAL lost heavily because it was subjected to the same abuse which was prevalent in other state companies during the Marcos era.

Santos managed to reverse the losses from April to June in spite of a debt service of P282.7 million on both aircraft and non-aircraft loans.

During the period, PAL reported a 5.1 percent increase in international passenger traffic to 1.89 billion revenue passenger kilometers and a rise of 7.2 percent in passenger traffic on the domestic routes.

Gross revenues from ticket sales, freight and other sources reached P3.29 billion, or an increase of 21 percent from last year.

In terms of operational expenses, PAL reported an increase of only five percent to just over P2 billion or equivalent to 87 percent of net revenues.

In contrast, last year's total operating expenses exceeded net revenues by 5 percent.

The airline's other income sources also reflected significant increases.

Ancillary services such as catering and airport servicing generated revenues of P155.2 million, higher by 23 percent from last year's P125.8 million.

The airline had been losing heavily during the past few years due to what the previous government claimed were high financing charges on foreign loans it had contracted to modernize its fleet.

Santos believes however that PAL will be profitable even with the existing debt service provided it is properly run and managed.

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## BRIEFS

**AREAS REJECT AUTONOMY PROPOSAL**--[By reporter Carmel M. Pizarro]--La Trinidad, Benguet--The provincial council of Benguet and the city council of Baguio have voted for the non-inclusion of the province and the city in the proposed Cordillera autonomous region, which was recently approved by the Constitutional Commission for inclusion in the draft constitution of 1986. A historic joint session was held by the two councils here last Monday. It was the first joint session ever held. Top of the agenda was the Cordillera autonomous region which geographically covers Benguet and Baguio. The motion to exclude Benguet and Baguio from the Cordillera autonomous region was proposed by city council member Geronimo Evangelista. It was approved, 13-3, after a heated debate among the members of both councils. [Excerpt] [Quezon City BUSINESS DAY in English 27 Aug 86 p 10 HK] /6662

**DISMISSED WORKERS END HUNGER STRIKE**--Member of "Subic 42" have announced the end of their 20-day hunger strike which they had staged in protest against their dismissal by US authorities at the Subic Naval Base. "The lifting of the hunger strike, however, doesn't mean the end of our struggle against the injustices done to us by US authorities," said Manuel Torres, group leader and spokesman. The group got its name from the 42 leaders of the Partido ng Manggagawang Base, who were dismissed from this jobs at Subic Base last July. According to Torres, the dismissed workers had lengths of service ranging from three to 30 years. [Text] [Manila THE MANILA CHRONICLE in English 25 Aug 86 p 4 HK] /6662

**AMNESTY FOR TAX EVADERS**--President Aquino has declared a one-time tax amnesty for tax evaders for unpaid income tax for taxable years 1981 and 1985. Under Executive Order No 41 issued on August 22, the president said that henceforth the government will vigorously enforce tax laws and no further amnesty will be granted. The so-called tax amnesty on net worth is expected to generate some P1.5 million [words indistinct] taxes. [Text] [Manila Far East Broadcasting Company in English 2300 GMT 25 Aug 86 HK]

**GOVERNMENT'S 'PRO-THIRD WORLD STANCE'**--[By reporter Abrino Aydinan]--The government of President Corason C. Aquino is taking a pro-Third World stance. It is supporting the Namibian fight for independence. It calls South Africa which refuses to yield its United Nations (UN) mandate over the African territory despite a long-standing decision of the UN General Assembly to recognize the right to self-determination of the Namibians "colonialist and racist regime." By so doing the Aquino government departs from United States policy

of "constructive disengagement" which has tied the independence of Namibia, called Southwest Africa by South Africa, with the withdrawal of Cuban troops from neighboring Angola. Critics of the U.S. policy charge that this has encouraged the South African Government to flout the UN order for Namibia's independence. The Aquino government is also pursuing its application for membership in the Nonaligned Movement, the main political organization of the Third World, a move which was presumably initiated by the Marcos administration. [Excerpt] [Quezon City BUSINESS DAY in English 27 Aug 86 p 11 HK] /6662

**CEBU PEACE PANEL**—Cebu City—The Cebu provincial government has created a committee to initiate the holding of peace talks and the cessation of hostilities between government troopers and armed rebels in the province. The Sangguniang Panlungsod [city board] (SP) in a session Monday, named SP member Ferdinand Jakosalem as committee chairman; vice governor-designate Democrito Barcenas, vice chairman; and SP member Crisologo Monteclar, Winston Garcia, and Ribomapil Holganza Jr. as members. Jakosalem, chairman of the SP committee on public order and safety, said the government decided to create the body in view of the alarming hostilities between soldiers and armed rebels in the hinterlands of Cebu which had already claimed a number of lives. He said the provincial government should act on the problem before it gets worse. He also said Ricardo Cardinal Vidal has urged the provincial leaders to initiate a dialog with the rebels so a ceasefire could be reached. Jakosalem said the committee will meet soon to thresh out ways on how it can perform its mission. [Text] [Quezon City BUSINESS DAY in English 27 Aug86 p 10 HK] /6662

**MILITARY REPORTEDLY LOSING PROPAGANDA WAR**—Manila—The military is losing in its propaganda war with the Communist People's Army, according to a senior armed forces official. Armed Forces Civil Relations Service (CRS) chief Brig. Gen. Luis San Andres, NAFF's [New Armed Forces of the Philippines] psychological warfare expert, cited several factors why the military is not gaining ground in the propaganda war. One is that the New People's Army (NPA) and its political arm, the Communist Party of the Philippines (CPP) are taking advantage of the new found freedom in the country today, he said. Another is that CPP/NPA have numerous outlets and spokespersons to ventilate their side even if they are lies to advance their cause to the extent of undermining the government, San Andres said. San Andres said this pack of lies spread by the rebels is played up in the news media. Unfortunately, some people seem to accept the communist propaganda line as "gospel truth." On the other hand, some media outlets are hesitant to use news stories on NPA atrocities because of that old mentality that to do so would affect business in the country, he said. [Text] [Davao City THE DAILY SAN PEDRO EXPRESS in English 7 Aug 86 p 3 HK] /6662

**'CASE' FOR DISMANTLING CHDF**—[Editorial: "The Case Against Home Defense Forces"] The periodic case inventory of the Presidential Committee on Human Rights [PCHR] is an eye-opener. Of 1,157 cases of rights violations filed before the committee, more than one half—626 to be exact—were against members of the Civilian Home Defense Forces [CHDF]. The CHDF was created to either beef up or take the place of military protection in remote villages. But what actually happened in too many places was, the militiamen lost sight of their sworn duty and, instead of keeping their fellow barrio folk safe and

sound, became their oppressors. The CHDF's lived out the maxim about power coming out of the barrel of a gun. Public outcry against abusive home defense forces finally prodded the authorities to overhaul the failed system. The PCHR, however, insists that for the sake of the country folk the militias should be dismantled, not simply revamped. The suggestion deserves serious consideration, particularly in light of the implications of the PCHR case inventory. [Text] [Manila NEWS HERALD in English 24 Aug 86 p 4 HK] /6662

NEW REBEL STRATEGY CLAIMED--The Defense Ministry yesterday [27 Aug] disclosed that the underground communist movement has set into motion a 3-pronged post-revolution strategy to seize power by 1991 or sooner with a bloody purge. In a 25-page assessment report on the Philippine insurgency during the past 6 months, retired Brigadier General Isidro (Agunod), assistant secretary for plans and programs of the Defense Ministry, said government employees, military men, social and business leaders, church leaders, and even communist supporters and sympathizers will be eliminated. The in-depth assessment report was released to the media yesterday afternoon. [Begin (Agunod) recording] They are being advised by the NDF-CPP [National Democratic Front-Communist Party of the Philippines]-NPA to await the signal sometime in October or November to be prepared to join mass rallies, to join mass leaves from the government, to join the welga ng bayan [national strike] nationwide with the full purpose of getting Messrs Enrile and Ramos out before the ratification of the new constitution. [End recording] [Text] [Manila Far East Broadcasting Company in English 2300 GMT 27 Aug 86 HK] /6662

CSO: 4200/1370

## THAILAND

### EDITORIAL FAULTS APPOINTMENT OF PREM AS PRIME MINISTER

Bangkok SIAM RAT in Thai 8 Aug 86 p 8

[Editorial: "The New Cabinet"]

[Excerpts] Now that Gen Prem Tinsulanon has been reappointed prime minister, with the official appointment taking place on 5 August 1986, he will have to form a new cabinet as stipulated in the constitution.

For elected MPs, the final goal in running for office is to be appointed minister. It would be an even greater honor to be appointed prime minister. We are discouraged by the fact that no elected MP has been appointed prime minister. Because an MP should have been appointed prime minister.

We feel the same way in the case of ministers. In the past, the people grew tired of certain ministers in certain political parties. They felt that these people did not have the necessary capabilities, that they were inefficient, and/or that they were not really the people's ministers. Thus, when the new government is formed and a new cabinet is appointed in the wake of the recent general election, even though the former prime minister has been reappointed, we do not feel that the former group of ministers should be reappointed to their old cabinet positions.

Now that Gen Prem has been reappointed prime minister, if he is to solve the various problems confronting the country, he should select new ministers from the old political parties that support him. After all, the old group of ministers could not solve the problems.

We are expressing these views in order to try and help and new prime minister and to help ensure that the members of the old political parties are treated fairly.

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CSO: 4207/306



## THAILAND

### NAMES, PARTY AFFILIATIONS OF EX-CPT FIGHTERS PUBLISHED

Bangkok LAENG KHAO in Thai 20-26 Jul 86 pp 12-14

[Unattributed report: "Among the Ex-CPT Fighters, Who Will Enter Parliament?"]

[Text] Even if we don't have a perfect democracy, the present system is good. In the past, because of an ideological split, some people fled into the jungle and waged an illegal struggle. But now, most of them have returned. And many are running for office during this election. A survey showed that:

The Democrat Party has the largest number of returnees, eight, running for office. These are: Sombat Wothong (Constituency 3 in Ubon), Prayong Mulasan (Yasothon), Kamon Saingam (Constituency 2 in Buriram), Karun Saingam (Constituency 3 in Buriram), Khaisaeng Suksai (Constituency 2 in Nakhon Phanom), Udom Tanangsungnoen (Constituency 1 in Korat), Chaturon Khotai (Chumphon), and Chaturon Chaisaeng (Constituency 1 in Chachoengsao).

The Citizens Party has three returnees: the 1974 deputy secretary general of the National Student Center of Thailand for political affairs, Phinit Charusombat (Constituency 1 in Chachoengsao); a labor leader during the previous decade, Thoetphum Chaidi (Constituency 2 in Sisaket); and Suk Rop-ru (Mukdahan).

The Social Action Party has only Suphon Onruang (Phatthalung) and Sathian Khongpan (Phatthalung). The National Democracy Party has just one person, (Maha) Chat Khongsuk (Constituency 1 in Surat Thani). If I remember correctly, the Thai Nation Party has just one such person, Wirat Panai (Krabi). The New Force Party has Bunluan Khachonsat (Constituency 1 in Kalasin). The Community Action Party has Samak Chaliam (Constituency 1 in Chaiyaphum).

The Progressive Party has five such people: Udon Thongnoi (Yasothon), Chamni Sakdiset (Constituency 3 in Nakhon Sithammarat), Chingchai Mongkhontham (Constituency 1 in Kalasin), Somkhit Singsong (Constituency 1 in Khon Kaen), and Arun Suchada (Constituency 1 in Krabi).

Those in the Labor Democracy Party include Adison Phiangket (Constituency 1 in Khon Kaen), Adisura Phiangket (Constituency 2 in Phitsanulok), Wiwat Chongchit (Constituency 2 in Nakhon Sithammarat), Saengthai Rupdi (Yasothon), Wimon

Charoensuk (Constituency 3 in Nakhon Ratchasima), Santhat Phahonthap (Constituency 1 in Khon Kaen), Prayut Kanchanakun (Constituency 4 in Khon Kaen), Somchai Thongburan (Yasothon), and Prasoet Chandam (Constituency 2 in Surin).

The three Democrat candidates who have a very good chance of winning a seat in parliament are Karun Saengam, Chaturon Chaisaeng, and Chaturon Khotsi. Those in the Progressive Party who stand a good chance of winning are Chamni Sakdiset and Chingchai Mongkhontham. The Citizens candidate who has a good chance is Phinit Charusombat.

This just means that they have the right to "push." In Constituency 1 in Chachoengsao, Chaturon and Phinit are running against each other. That's unfortunate. Chamni is engaged in a tight race against the Democrats, who are very strong. As for Chaturon, or Sulhon, if he had not chosen to take up arms in the past, he would have been an MP from Chumphon long ago. Now he is engaged in a tight race against an incumbent, Thiraphan Phetsuwan, who has a good record, and a "super big" newcomer to politics, Gen Chamnan Nilawiset, who will be difficult to beat. A sure bet is Karun in Buriram. This race is loaded with candidates and money. Phonthep Tachaphalibun chose this province as his base for entering the political arena.

I wish all the candidates good luck. All of them are very patriotic people. In the past, the system excluded them and so they had to open up a front in the jungle. Today, the system is allowing them to wage an ideological struggle peacefully. All of them are good people. There are no "rotten" ones among them.

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3D ARMY DEPUTY COMMANDER PROFILED

Bangkok LAENG KHAO in Thai 22-28 Jun 86 p 26

[Unattributed report: "Maj Gen Chaichana Tharichat, the deputy commander of the 3d Army Region"]

[Text] The nickname of this officer is "Mu." He was born on 28 September 1930 in Bangkok Metropolitan. He completed secondary school at the Vothinburana School. After that, he entered Chulachonkhalao Royal Military Academy (CRMA) as a member of Class 1. Fellow classmates included Gen Chawalit Yongchaiyut, the RTA CINC, Lt Gen Wanchai Ruangtrakun, the deputy army chief of staff, Lt Gen Charuai Wongsayan, the assistant army chief of staff for civil affairs, and Lt Gen Sunthon Khongsomphong, the commander of the Special Warfare Command.

After graduating from the academy, Maj Gen Chaichana Tharichat chose to join the cavalry just like Gen Prem Tinsulanon and his classmate Lt Gen Wanchai Ruangtrakun.

In 1954 he served as a platoon leader with the 5th Infantry Battalion. Later he took the platoon leader's course at Fort Knox in the United States. In 1959 he was made commander of the 11th Tank Company in Saraburi Province. In 1963 he attended the Army Command and General Staff College along with Gen Chawalit Yongchaiyut and Lt Gen Sunthon Khongsomphong. Following that, he was made commander of the 3d Cavalry Battalion, 1st King's Guard Cavalry Regiment. In 1970 he served as commander of the Armored Cavalry Battalion with the Volunteer Division in Vietnam. In 1971 he was made deputy chief of staff of the Cavalry Division. In 1976 he served as commander of the 3d Cavalry Regiment, 1st Cavalry Division. In 1980 he was promoted to major general and made commander of the 2d Cavalry Division. In 1983 he was transferred to the 3d Army Region, where he serves as deputy commander.

He is married to Daoruang. They have five children.

It is thought that Maj Gen Chaichana Tharichat will become 3d Army Region commander when Lt Gen Ruamsak Chaiyakom, the present commander, retires in September.

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## THAILAND

### BRIEFS

NO COMMUNIST FUNDING TO BUNCHU--Police Col Yothin Matthayomnan, the superintendent of Police Precinct 7, discussed the reports that have appeared stating that at the police meeting held on 10 June 1986, the speaker concluded that the Community Action Party, which is headed by Mr Bunchu Rotchanasathian, accepted money from a Western communist country. He said that he does not know how such a rumor got started. He said that he gave the speech that day, but it had nothing to do with this matter. Such rumors might result in people criticizing him for harassing a political party. He said that he doesn't know where the press got this story. In a letter to the prime minister, Mr Sawat Khamprakop said that that speech was probably accurate. [Text] [Bangkok SU ANAKHIT in Thai 30 Jul-5 Aug 86 p 6] 11943

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COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK RAPS INDOCHINA CONFERENCE COMMUNIQUE

BK210908 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2300 GMT  
20 APR 86

[Station commentary: "There Is Nothing New in the Communique of the So-Called Foreign Ministerial Conference of Vietnam, Laos, and Cambodia"]

[Text] On 18 August 1986, after ending the farce of the so-called conference of the Vietnamese, Lao, and Cambodian foreign ministers, Vietnam issued a joint communique. There is nothing new in this communique. The Hanoi authorities only uttered the same old words, such as:

1. Singing the same old tune of further partial troop withdrawal and a total withdrawal of Vietnamese troops from Cambodia by 1990, in an attempt to conceal their increasingly serious defeat on the Cambodian battlefield;
2. Calling on others to join with Vietnam in eliminating the Cambodian resistance forces, which are joining with the Cambodian people throughout the country in attacking the Vietnamese aggressors more vigorously everywhere throughout the country, so that Vietnam can permanently annex Cambodia;
3. Rejecting the CGDK's reasonable and flexible eight-point proposal for a political settlement of the Cambodian problem; and
4. Pledging to respect Thailand's independence and territorial integrity and expressing Vietnam's desire for relations with Thailand to relax Thailand's vigilance to the point that Vietnam can further violate Thai territory and conduct espionage activities against Thailand.

Therefore, there is nothing new in the communique of the so-called conference of the Vietnamese, Lao, and Cambodian foreign ministers. There are just the same old lies and deceitful words uttered repeatedly by Vietnam, which have been repeatedly rejected and condemned by the countries in this region and the world community. This communique shows the world that:

1. The Hanoi authorities have not in the least changed their aggressive and expansionist stand;
2. The Vietnamese authorities have not prepared to hold negotiations to solve the Cambodian problem through political means or withdraw all their aggressor

troops from Cambodia to let the Cambodian people decide their own destiny despite their public pronouncements. In 1990—or for how many more years to come—the Vietnamese authorities will certainly carry on their military and diplomatic maneuvers to annex Cambodia completely.

The Cambodian people and the CGDK would like to appeal to the world community to condemn Vietnam further and exert more pressure in all aspects on Vietnam to inflict more difficulties on it to the point that it is compelled to sit at a negotiating table truly to discuss a political settlement of the Cambodian problem by withdrawing its troops totally and unconditionally from Cambodia to allow the Cambodian people to solve their own problems through free elections under the supervision of the UN observers group as mentioned in the CGDK's eight-point peace proposal dated 17 March 1986.

At present, due to the fierce, vigorous offensive launched against them by the DK National Army and under the economic and diplomatic pressure of the world community, the Hanoi authorities are suffering seriously in all fields both in Cambodia and Vietnam. If this pressure increases further, no matter how obstinate they are, the Hanoi authorities will certainly be compelled to join in solving the Cambodian problem politically by withdrawing their aggressor troops totally and unconditionally from Cambodia. Only with the total and unconditional withdrawal of the Vietnamese aggressor troops from Cambodia to pave way for the Cambodian people to decide their own destiny will the Cambodian problem be resolved permanently. By then, Cambodia will again enjoy peace, and Southeast Asia and the Asia-Pacific region will regain peace and stability.

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CSO: 4212/98

COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

PRC MINISTER THANKS DK COUNTERPART FOR CONDOLENCES

BK230354 (Clandestine) Voice of the National Army of Democratic Kampuchea in  
Cambodian 2315 GMT 22 Aug 86

[15 August Message from PRC Public Health Minister Cui Yueli to DK Red Cross  
Head Ieng Thirith]

[Text] To Her Excellency Ieng Thirith, head of the Democratic Kampuchea Red  
Cross;

Your excellency, his excellency the ambassador of Democratic Kampuchea to China  
handed over to us during a happy meeting your condolence message for the victims  
of floods in Jilin Province in Inner Mongolia Autonomous Region.

On behalf of the Chinese Red Cross, I would like to express to you and the Demo-  
cratic Kampuchean Red Cross most sincere gratitude. We know that to defend the  
sovereignty of the fatherland and restore peace to the country, the Cambodian  
people are waging a life-and-death struggle against the Vietnamese enemy aggres-  
sors. We are very touched to observe that despite being in this most difficult  
situation, you have followed the struggle of the Chinese people against natural  
disasters. We firmly believe that your message will be a precious and priceless  
encouragement for our victims in the above region.

I would like to take this opportunity to reaffirm that the Chinese Red Cross  
will do its best to provide support and assistance, as it has done, to the  
humanitarian activities of the Democratic Kampuchean Red Cross in the struggle  
against foreign aggression to preserve peace. We are always ready to again  
contribute to the cooperation between our two Red Cross organizations and the  
traditional friendship between our two people.

[Dated] [Beijing, 15 August 1986]

[Signed] Cui Yueli, head of the Chinese Red Cross and minister of public health  
of the PRC.

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COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VODK RAPS HUN SEN'S REMARK AT PRESS CONFERENCE

BK230612 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT  
22 Aug 86

[Station commentary: "Hun Sen's Remarks in Hanoi Are Those of the Cornered Vietnamese Tiger"]

[Text] Following their so-called Indochinese meeting, and realizing that no one was interested in this farce, the Hanoi Vietnamese ordered their lackey, Hun Sen, to bark at a press conference that the obstacle to resolving the Cambodian issue is the Democratic Kampuchean forces.

This is Vietnam's line. It is the reason the Vietnamese aggressors have used for many years to avoid implementing UN resolutions calling for the unconditional withdrawal of all Vietnamese forces from Cambodia and respect for the Cambodian people's right to self-determination.

However, nobody listens to this Vietnamese cry because everyone clearly realized that the Democratic Kampuchean forces are the major force fighting the Vietnamese aggressors in defense of the nation and territory and to safeguard the Cambodian race to prevent the Vietnamese from annexing the territory and exterminating the people in accordance with the ambitions and expansionist strategy of Vietnam and the Soviet Union. People also realize that Vietnam has been demanding the elimination of this major force opposing the Vietnamese aggressors in order to destroy the obstacles in Vietnam's way, not to resolve the Cambodian issue through Vietnam's pullout; so Vietnam will continue to occupy Cambodia forever. So, why did the Vietnamese order their lackey to bark this outdated statement? People can quickly see that this is the cry of a wounded and cornered Vietnamese tiger.

Following the CGDK's eight-point peace proposal to resolve the Cambodian issue politically through a two-stage withdrawal of Vietnamese troops, world opinion in general has welcomed and strongly praised this CGDK initiative as one full of goodwill and love for peace. It is a proposal which is most flexible, most reasonable, and the best to serve as a basis to resolve the Cambodian issue politically and comprehensively. More than 50 countries have successively voiced their support for the CGDK's eight-point peace proposal. These countries have also demanded that Vietnam accept this eight-point peace proposal by entering into negotiations with the CGDK to resolve the Cambodian issue and to prepare for a two-stage withdrawal of Vietnamese aggressor forces from Cambodia.



This has put the Vietnamese, who have rejected the CGDK's flexible and reasonable eight-point peace proposal, in a very difficult situation. This is why Vietnam is repeating this outdated statement and pretext in order to:

- 1 Split the CGDK;
2. Create confusion in world opinion and deviate from UN resolutions calling for Vietnam's unconditional withdrawal from Cambodia;
3. Bury the reasonable eight-point peace proposal which world opinion in general has welcomed, praised, and actively supported.

However, Vietnam has been making up all kinds of stories to slander the Democratic Kampuchea resistance forces in an attempt to cover up the Vietnamese act of aggression, annexation of territory, and race extermination in Cambodia. However, the Vietnamese have been successively disgraced and defeated. And now that the world is more aware of the aggressive and expansionist nature of the Vietnamese in Cambodia and in Southeast Asia, the Vietnamese will find it even harder to use this outdated pretext and excuse to deceive or dupe people. Everyone agrees that the obstacle in the way of a solution to the Cambodian problem is Vietnam's refusal to accept the CGDK's eight-point peace proposal.

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COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VOK AFFIRMS CGDK DETERMINATION TO FIGHT VIETNAMESE

BK220722 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 22 Aug 86

[Political commentary: "Vietnam Should Not Be Mistaken"]

[Text] While forces of the CGDK are intensifying their activities inside Cambodia, top leaders of the three factions of the CGDK have put forward an eight-point peace proposal to resolve the Cambodian problem peacefully. This eight-point peace proposal is flexible and reasonable. Many countries have supported it and considered it an important key for resolving the Cambodian issue.

However, Vietnam, which has affirmed that it really wants to resolve the Cambodian issue, has squarely rejected this proposal. Why? The Vietnamese rejection came quickly after the CGDK made its proposal public on 17 March 1986. This shows that Vietnam is not prepared to resolve the Cambodian issue peacefully. Furthermore, Vietnam interpreted this proposal as a weakness of the CGDK. We do not believe that this resulted from Vietnam's ignorance. This is the result of Vietnam's stubbornness and greedy ambitions. Vietnam mistakenly thinks that it can be an emperor in former French Indochina.

CGDK leaders have repeatedly stated that the suffering of the Cambodian and Vietnamese people will continue as long as Vietnam continues to occupy Cambodia. Therefore, this conflict should be resolved peacefully. It should be ended peacefully with pen and paper. Cambodia and Vietnam, neighboring countries, should peacefully coexist as good neighbors. It is with this view that the CGDK, which has sympathy and love for the people, has expressed sincere goodwill in finding a solution to the Cambodian issue through the eight-point peace proposal. How much more flexible does Vietnam want us to be?

We have been flexible in changing our stand from not recognizing the Heng Samrin regime--considering this regime as a Vietnamese puppet--to accepting it as one side of Cambodia and allowing it to take part in the setting up of a four-side coalition government with us following the withdrawal of Vietnamese troops from our country. Vietnam's rejection forbidding the Heng Samrin side to agree with us means that Vietnam still considers this side as its lackey. This also confirms that Vietnam has no intention of pulling out from Cambodia and does not want to find a peaceful solution for the Cambodian people.

Flexibility and goodwill have come out from the CGDK. Vietnam should show the same. This flexibility and goodwill will come to nothing if they come from only one side. They should come from the Vietnamese side as well. Vietnam still mistakenly thinks that its stubbornness can intimidate Cambodians into laying down their weapons and offering their country to Vietnam because Vietnam is proud that it has always been victorious over foreigners. Vietnam should realize that Cambodians are currently fighting not to commit aggression against Vietnam; we are doing this to fulfill our duty as Cambodians when faced with Vietnamese aggression and occupation. From our side, through our proposal, we have shown all our flexibility to show our people that we do hate war. However, if Vietnam still persists, it is inevitable that we have to do the same. You need a horse to try to capture a horse. If Vietnam persists in fighting, we will do the same. We fight for our country's independence.

Currently, we are not as weak as Vietnam thinks. We are weaker than Vietnam in terms of fighting forces and weaponry, but our moral strength is always at its best along with our just fighting strength and political force. Militarily, we have improved our strategy of small forces fighting big forces. Our military activities have been spreading contrary to Vietnam's interpretation. VOK would like to remind Vietnam through our political commentary that Vietnam has perhaps forgotten a lesson. Vietnam should recall the late Ho Chi Minh's lesson which says that in a national liberation war, aggressors will be defeated in the end. So, finally, Vietnam will have to pack up and go back home in disgrace.

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COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

DKNA SUPREME COMMAND COMMENDS ATTACK ON BATTAMBANG

BK160324 (Clandestine) Voice of the National Army of Democratic Kampuchea in  
Cambodian 2315 GMT 15 Aug 86

[14 August commendation letter from DKNA Supreme Command to cadres, combatants, local people, and Khmer soldiers involved in the commando attack on the command post of Vietnam's 7704th Division in Battambang Town]

[Text] 1. On 11 August our national army on the Battambang battlefield, in close cooperation with the local people, fraternal Khmer soldiers, and administrative agents, forcibly drafted into service by the Vietnamese enemy in Battambang town, launched a successful commando attack on the command post of the 7704th Division in Battambang Town. As a result of the attack, we killed or wounded 36 Vietnamese, including a commander of the 7704th Division, a Vietnamese inspector of the provincial police, and 2 battalion commanders who were killed; destroyed 24 light arms, 1 war materiel depot, 1 garment depot with 4,000 rolls of cloth, 3 buildings housing the Vietnamese provincial police office, and some war materiel; and seized some arms, ammunition, and war materiel.

2. This excellent outcome was possible thanks to the fact that:

a. Our commander directly conducted the combat right on the battlefield, set targets, had remedial plans ready, and closely encouraged and drew experiences to improve plans and steps.

b. Our national army on the Battambang Town battlefield was highly resolute in attacking and implementing the five attack tactics, especially in attacking the villages with a high sense of mastery, creativeness, and initiative.

c. Our national army maintained close solidarity and cooperation with the local people and fraternal Khmer soldiers and administrative agents forcibly drafted into service in the city by the Vietnamese enemy, creating a triple force against the Vietnamese aggressors.

d. We implemented well the principle that we must attack and build our forces simultaneously, especially build core forces within the local population and Khmer soldiers and militia to win their support in the struggle against the Vietnamese enemy.

3. This is an excellent experience of our national army in conducting activities close to and inside the town. It shows that as long as we can maintain solidarity and cooperation with the local people and fraternal Khmer soldiers and administrative agents, thus creating a triple force, and thoroughly implement the five attack tactics, repeatedly attacking the enemy, changing directions in attack around the city, close to the city, and inside the city, we can cause a permanent state of insecurity in Battambang Town.

4. Cadres and combatants of the national army, the local people, and the fraternal Khmer soldiers and administrative agents forcibly drafted by the Vietnamese enemy are called to sum up the experience of this excellent outcome and to step up attack activities against the Vietnamese enemy to cause confusion around, close to, and inside the city militarily, politically, economically, and in the transportation sector, making the Vietnamese enemy more worried about and afraid of our attack to liberate the whole of Battambang Town.

5. On behalf of the Supreme Command of the DK National Army, I would like to express wholehearted praise to all.

[Dated] 14 August 1986

[Signed] The Supreme Command of the DK National Army

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COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VOK URGES PEASANTS NOT TO SELL RICE TO STATE

BK261109 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 26 Aug 86

[Political Commentary: "On the Question of Selling Rice to the Heng Samrin Regime State"]

[Text] The propaganda campaign concerning the economic sector upon which the Heng Samrin regime has been lavishing so much attention is to persuade the Cambodian populace into selling rice to the state via the offices and services in charge of trading activities in every locality throughout Cambodia. This propaganda has gone as far as to contend that selling rice to the state means loving the nation and being patriotic and is equal to building and defending the nation.

Let us take a close look at this campaign to see how legitimate and accurate is the claim about patriotism. Let us see whether or not selling rice to the state is as good as deceptively claimed by the Heng Samrin regime.

First of all let us examine the word "state" used by the Heng Samrin regime in this conjunction. It is widely understood that "state" as referred to by Mr Heng Samrin's regime is not at all the normally accepted independent state or country. The state a la Heng Samrin regime is a state that is part of the communist Vietnamese union. Therefore, this so-called state does not mean a Cambodian country or nation that would actually serve the interest of the Khmer at all. The call on all Khmer to sell their rice to the state is thereby an effort to urge the Khmer populace to tear off their own blood and sweat and give them to the Vietnamese to enable the latter to remain and oppress the Khmer people forever.

Rice is the most important agricultural produce in Cambodia. For this reason, Vietnam has ordered the Heng Samrin regime to launch a most important campaign to collect the rice produced by the Cambodian people, forcing the latter to sell their harvest to the Vietnamese satellite state at extremely low prices. This effort to collect rice is merely part of larger activities to exploit all the economic gains of the Khmer populace who are being subjugated by the Vietnamese. There are also such methods as forced requisition, collection in the form of contribution, barter at unacceptable ratio, and 1001 other ways of embezzling, including taxes and levies of all imaginable kinds.



All of this multifarious economic plundering has forced Vietnam to cling to its occupation of Cambodia. This looting is another of the ways used by Vietnam to suck the blood and gnaw at the bones of the Khmer people; there are so many ways we cannot list them all here. Seeing all of this, the Voice of the Khmer Radio--the spokesman of the Khmer people--would like to appeal to trade officials everywhere in the state who are lackeys of the Vietnamese to desist from serving the strategy of the Vietnamese aggressors. Please have pity for the Khmer people who have shed so much blood and sweat in their labor. We do not believe that all these officials want to help the Vietnamese for the sake of winning medals or praise from them. Moreover, they should also grasp the reality and clearly see that the Vietnamese are in a very difficult economic situation. Therefore, why not help bring an early collapse to the Vietnamese economy in order to apply pressure on Vietnam to agree as soon as possible to sit at the negotiating table and settle the Cambodia problem peacefully to shorten the misery of the Khmer people.

In summary, selling rice to the state is following a trail blazed by the Vietnamese to make the Khmer shed their blood and sweat to further the greedy ambition of the Vietnamese communists to restore their economy and to enable Vietnam to become an overlord in Indochina just like the French colonialists. These Vietnamese may be even more brutal than the French as, sooner or later, all the Khmer would become Vietnamized and finally Cambodia would automatically and undeniably become another Champa or another Kampuchea Kraom.

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## COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

### VONADK BATTLE REPORTS FOR 15-21 AUGUST

BK220416 [Editorial Report] (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian monitored by Bangkok Bureau for the reporting period 15-20 August carries the following battle reports: At 2315 GMT on 15 August the radio reports that DK forces attacked 2 Vietnamese village administrative networks in Areak Tnaot Commune, Stoeng Trang District, on the Kompong Cham battlefield on 11 August, 2 other village administrative networks in Thpong District on the Northwest Phnom Penh battlefield on 10 August, 2 others in Phnum Sampeou Commune on the Battambang battlefield on 11 August, and 3 others in Kompong Preah Commune in Sangke District of Battambang Province on 10 August; cut the railroad track between Ta Mov bridge and Khai Say Village in Kompong Chhnang Province on 6 August; and conducted other activities on the Kompong Thom, Siem Reap, Samlot, Pailin, and South Sisophon battlefields between 27 July and 12 August, killing 58 and wounding 70 enemy soldiers; dispersing or breaking up 8 village administrative networks; cutting 190 meters of railroad track; destroying 1 rifle, a truck, 3 barracks, and some war materiel; and seizing a rifle. According to VONADK at 2315 GMT on 16 August, DK forces ambushed Vietnamese troops in Kompong Chhnang Province on 3 and 4 August and conducted guerrilla activities on the Kompong Chhnang, Kompong Thom, and Battambang battlefields between 3 and 6 August. They killed or wounded 37 enemy soldiers and destroyed 7 guns and some war materiel.

VONADK at 2315 GMT on 17 August reports that DK forces attacked Neak Ta Khnong township in Prey Chhor District of Kompong Cham Province on 14 August; dispersed the Vietnamese village and commune administrative networks in Prey Chhor and Chamka Lau Districts on the Kompong Cham battlefield on 13 and 14 August, in Baray, Kompong Svay, and Santuk Districts on the Kompong Thom battlefield on 9 and 11 August, in Samraong Tong District on the Southwest Phnom Penh battlefield on 13 August, in Chhu, District on the Kampot battlefield on 3 August, in Thmar Puok District on the North Sisophon battlefield on 10 and 11 August, and in Leach District on the Leach battlefield on 8 August; and conducted other guerrilla activities on the Leach, Peam Ta, North Sisophon, Kampot, and Tonle Sap battlefields between 2 and 13 August, killing or wounding 90 Vietnamese soldiers; destroying 3 commune and 17 village administrative apparatuses, 9 guns, a commune office building, 2 trucks, a boat, a guard post, a barracks, and some war materiel; and liberating 6 villages on the Kompong Cham battlefield and 8 villages on the Kompong Thom battlefield.

According to VONADK at 2315 GMT on 18 August, DK forces attacked a Vietnamese regiment position at (O Poak) on the Mondolkiri battlefield on 10 August and a

Vietnamese company position in Thpong District on the Northwest Phnom Penh battlefield on 11 August; dispersed the Vietnamese village and commune administrations in Kong Pisei District on the Kompong Speu battlefield on 13 August and on the East Battambang battlefield on 13 August; ambushed a Vietnamese company unit in Sandan District on the Kompong Thom battlefield on 5 August, and conducted various other guerrilla activities on the Samlot, Pailin, and South Sisophon battlefields between 12 and 14 August, killing 37 Vietnamese enemy, including a regimental commander, 2 battalion commanders, 3 company commanders, 2 platoon commanders, and a provincial expert; wounding 43 others, destroying a regimental position, a company position, 7 village administrative networks, 21 guns, a tractor, a 15-watt telegraph set, a rice warehouse, 35 barracks, and some war materiel; and seizing some war materiel.

VONADK at 2315 GMT on 19 August reports that DK forces attacked Bakham Township in Prey Chhor District on 15 August; raided the Vietnamese village and commune administrative networks in Baray District on 13 August, in Samraong Tong District on 15 August, and in Kralanh District on 8 August; ambushed a boat on the Kompong Som battlefield on 30 July; and conducted various guerrilla activities on the Siem Reap, Moung-Pursat, Kompong Som, Kompong Cham, Kompong Thom, and Southwestern region battlefields between 25 July and 14 August. They killed 60 and wounded 20 enemy soldiers; dismantled 2 commune and 7 village administrative networks; destroyed 5 weapons, 3 commune office buildings, a warehouse, a medicine stock, a motorboat, and some materiel; seized 8 weapons and some ammunition and war materiel; and liberated 7 villages on the Kompong Cham battlefield and 5 villages on the Kompong Thom battlefield.

According to VONADK at 2315 GMT on 20 August, DK forces attacked the Vietnamese village and commune administrative networks on the North Battambang battlefield on 13 August, on the South Battambang battlefield on the same day, in Chanka Leu District on 16 August, in Prey Chhor District on 14 August, and in Chhuk District on 10 August; ambushed a Vietnamese battalion on the South Battambang battlefield on 14 August, a company unit on the Battambang battlefield on 15 August, and a company unit on the Moung-Pursat battlefield on 13 August; and conducted various other activities on the Pailin, North Sisophon, West Battambang, North Battambang, South Sisophon, Kompong Cham, Kampot, and Siem Reap battlefields between 27 July and 17 August, killing 63 and wounding 76 enemy soldiers; destroying 8 village and 3 commune administrative networks, 7 weapons, an ammunition depot, 2 barracks, and some materiel; and liberating 3 villages on the Battambang battlefield, 5 villages on the Kompong Cham battlefield, and 50 inhabitants forced to work for the Vietnamese enemies on the Kampot battlefield.

According to VONADK at 2315 GMT on 21 August, DK forces attacked the Vietnamese village and commune administrative networks in Samraong Tong District on the Southwest Phnom Penh battlefield on 18 August, in Thpong District on the Northwest Phnom Penh battlefield on 11 and 18 August, in Chanka Leu District on 16 August, and in Stoeng Trang District on 16 August; ambushed a Vietnamese truck on Route 3 in Kong Pisei District on the Kompong Speu battlefield on 15 August; and conducted various other guerrilla activities on the Northwest Phnom Penh, Kampot, Koh Kong Leu, and Pailin battlefields between 12 and 19 August, killing or wounding 41 Vietnamese soldiers; destroying a commune office building, a truck, 2 barracks, and some war materiel; and seizing 2 guns.

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COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VONADK REPORTS ATTACK ON SRV POSITION NEAR ANGKOR WAT

BK280146 (Clandestine) Voice of the National Army of Democratic Kampuchea in  
Cambodian 2315 GMT 27 Aug 86

[From the "Report from Various Battlefields" feature]

[Excerpt] Siem Reap battlefield: On the night of 23 August, our National Army cooperated with Cambodian people, soldiers, and commune and village administrative personnel forced to serve the Vietnamese and attacked a Vietnamese position at Chey Village and attacked and liberated Run Ta Ek Commune, just over 7 km east of Angkor Wat in Siem Reap District [Siem Reap Province], which forms the defense network for the Angkor Wat area and Siem Reap Town.

The attack was launched on two fronts. The first prong attacked the Vietnamese position at Chey village; the second attacked and dismantled Vietnamese commune and village administrative networks in Run Ta Ek commune. After a 20-minute battle, we completely liberated these two fronts. We killed 14 Vietnamese enemy soldiers on the spot and wounded 21 others; among those killed were a company commander and 2 platoon commanders. We destroyed an 80-mm and a 60-mm mortars, an RPD, a B-40 and a B-41 rocket launchers, a warehouse, 15 barracks, 40 sacks of rice, 20 sacks of salt, 15 rolls of cloth, 100 mosquito nets, and some materiel. We distributed the cloth and various materiel to people, commune and village officials, and Cambodian soldiers. We liberated a commune, Run Ta Ek, and eight villages, Run, Ta Ek, Chey, Thmat Pong, Thmar, Sre Changhot, Tani, and Trapeang Toek.

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CSO: 4212/98



COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

VOK REPORTS 'NONCOMMUNIST' FORCES COMBAT ACTIVITIES

BK261133 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 26 Aug 86

[Text] Our station's newsroom has received reports that the noncommunist Cambodian patriotic forces killed 62 Vietnamese soldiers and wounded 78 others in fighting on various battlefields in Battambang, Siem Reap, and Oddar Meanchey Provinces.

According to a report from the KPNLF Supreme Command, at 1730 on 28 July a group of KPNLF combatants raided a Vietnamese position near Khtum Commune office, Sangke District, Battambang Province, in which there were about 100 Vietnamese soldiers and 90 Heng Samrin soldiers. After 15 minutes of fighting, 11 Vietnamese and Heng Samrin soldiers were killed and 14 others were wounded. At 1228 on the afternoon of 30 July, a group of KPNLF combatants attacked a Vietnamese position in an area between Boeng Khtim and Pralay Thngo in Sange District of Battambang Province. The battle lasted for 30 minutes. At 1615 on the afternoon of 31 July, KPNLF combatants ambushed three groups of Vietnamese soldiers at an area 3 km from Leach District in Pursat Province. The fighting lasted for 5 minutes. As a result of these 2 clashes, 14 Vietnamese soldiers were killed and 23 others were wounded. At 1700 on the afternoon of 1 August, KPNLF combatants clashed with about 150 Vietnamese soldiers in the area east of Kon Kom Village, Prey San Commune, Moung District, Battambang Province. The fighting lasted for more than an hour and resulted in two Vietnamese soldiers killed and three others wounded. There was no report on casualties on the KPNLF side. Another group of KPNLF combatants ambushed 40 Vietnamese soldiers in the vicinity of Kandal Village in Sisophon District of Battambang Province. Following a 20-minute battle, three Vietnamese soldiers were killed and seven others were wounded. The KPNLF combatants suffered three wounded. On 14 August, 40 KPNLF combatants clashed with 70 Vietnamese soldiers in a area southwest of Soeng Village, Sisophon District, Battambang Province. After 20 minutes of fighting, four Vietnamese soldiers were killed. the KPNLF combatants suffered four wounded. On the same day, 30 KPNLF combatants infiltrated Mongkolborei District and clashed with the Vietnamese soldiers for 30 minutes at Rung Chrey Commune office. As a result of this fighting, two Vietnamese soldiers were killed and eight others were wounded. The KPNLF combatants suffered three killed and three wounded. On the same day, a group of KPNLF combatants clashed with 18 Vietnamese soldiers at Kon Trei Village, Poipet District, Battambang Province. Three Vietnamese soldiers were killed and another was wounded in the clash. One KPNLF combatant was wounded. On

16 August, an estimated 110 Vietnamese soldiers attacked a position of the KPNLF forces in Battambang Province. As a result of the 50-minute battle, 15 Vietnamese were killed and 3 wounded. Report on the losses of the KPNLF forces was not available. On the same day, some 90 Vietnamese soldiers and 80 Heng Samrin soldiers harassed 30 KPNLF soldiers in Mongkolborei District. After 40 minutes of fighting, 7 Vietnamese soldiers were killed and 18 others were wounded. One KPNLF combatant was killed and seven others were missing. On 15 August, 23 Sihanoukist National Army (ANS) soldiers patrolling Route 68 in Chong Kal District, Oddar Meanchey Province, clashed with 10 Vietnamese soldiers in Pongro Village, Chong Kal District, killing 1 of them. On 12 August, two companies of Vietnamese troops ambushed 70 ANS soldiers near Ampil Village in Prasat Rovieng District. No casualty report for either side was available.

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## COALITION GOVERNMENT OF DEMOCRATIC KAMPUCHEA

### BRIEFS

**LEADERS GREETINGS TO CASTRO**--Phnom Penh, 23 August (SPK)--Heng Samrin, general secretary of the KPRP Central Committee and chairman of the Council of State, and Hun Sen, chairman of the Council of Ministers of the PRK, sent a message of warm greetings to Fidel Castro Ruz, first secretary of the Communist Party of Cuba Central Committee and chairman of the Council of State and Council of Ministers of the Republic of Cuba, on the occasion of his 60th birthday. The message substantially says: "We are firmly convinced that, thanks to your great attention and great personal efforts, the relations of fraternal friendship, solidarity, and all-round cooperation between our parties, governments, and countries will steadily strengthen and develop in the common interest of our two people and for the cause of peace and security in the world." "We wish you the best of health, great energy, long life, and more and greater successes in the accomplishment of your lofty mission." [Text] [Phnom Penh SPK in French 0404 GMT 23 Aug 86 BK] /12232

**MORE SRV SETTLERS**--In mid-August, the Vietnamese enemies sent 150 families to Vietnamese nationals to settle, rob our Cambodian people of their property, and take over their land and houses in (Prek Tol), Sangke District, Battambang Province. The Vietnamese enemies drove our Cambodian people from their houses and villages to live in other places where there are no houses, villages, or crops. These Vietnamese settlers are all armed. [Excerpts] [(Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 24 Aug 86 BK] /12232

CSO: 4212/98

## LOSS OF 7,000 TONS OF GRAIN EXPOSED

Hanoi LAO DONG in Vietnamese 12 Jun 86 p 7

[Article by Van Dinh: "Where Did These 7,000 Tons of Grain Go?"]

[Text] Rice shipments by waterway from Haiphong to Hanoi in the first quarter of 1986 incurred a loss of up to 7,000 tons, accounting for 10 percent--instead of the permissible 1 percent--of the load. If this situation were allowed to go on, by year's end total loss would amount to more than 20,000 tons, even exceeding a request submitted by the city to the central government for a 120 million-dong grain reserve stockpile composed of shipments from the south.

Grain is a very important strategic commodity. And this is not the first brazen grain loss during intra-provincial, inter-provincial, and north-south transportation by roads, rails, and waterways. It is estimated that only 1 out of 10 substantial losses has been prosecuted. The remaining cases were amply recorded with lots of signatures, only to be solved subsequently in private. Related transportation organs, from the Ministry of Communications and Transportation down to the services and owners of shipping means and goods, are bound to shoulder their responsibilities, but they have invoked reasons to shun them, eventually leaving the state holding the bag.

The loss of 7,000 tons of rice is an astronomical one. The municipal CPV committee and people's committee met with related central and local organs to discuss efficient thwarting measures. Along with setting up a guidance committee on receiving and shipping grain under the chairmanship of Tran Tan, vice chairman of the municipal people's committee, Hanoi City has asked its judicial organs to complete legal proceedings promptly against some grain thieves caught red-handed during the receiving and transportation process.

Following these vigorous initial measures, it can be said that negative phenomena are being foiled and pushed back, causing a clear decrease in grain losses. Nevertheless, we still suggest that responsible organs prosecute appropriately those involved in the loss of these 7,000 tons of grain.

9213/12947

CSO: 4209/686

## DISHONEST BUS DRIVER DENOUNCED

Hanoi QUAN DOI NHAN DAN in Vietnamese 17 Jun 86 p 2

[Article by Dac Duy Thuy, Engineer Corps: "Passengers Victimized Because of Lust for Money"]

[Text] On the morning of 14 May 1986, I boarded passenger bus 29 D-40-81 from Ha Giang to Hanoi. A posted sign clearly limited seating capacity to 50, but as the bus was moving out of the station the driver picked up nearly 50 more passengers. Along the way, he stopped four or five times to take wooden boards and additional riders, bringing them to a total of over 100, and also dealt illegally in gasoline. All passengers having bought no tickets at the station were compelled to pay between 100 and 250 dong to the driver and huddle against each other in standing position during the 300-km plus trip. Thus, the state collected only 2,400 dong per bus trip (50 x 48 dong--regular fare), while the driver pocketed 9,000 dong (60 x 150 dong--average amount paid by each passenger), earning 3 times more than the state and 20 times more than any driver's monthly wages. This is not to mention the profit from dealing in wooden boards and other goods. As one of his "victims," I talked to the driver of Bus 29D-40-81, but he stubbornly refused to keep his ear close to the ground.

In light of these facts, I suggest that the Ha Tuyen and Hanoi communications and transportation services study and take steps to manage strictly the ranks of drivers on the Ha Giang-Hanoi itinerary and vice versa, putting an end to the hunt for illicit gains--a practice causing inconveniences to passengers--especially the military regularly on official trips to Ha Tuyen--averting financial losses for the state, and ensuring safety and accident avoidance for longdistance riders.

9213/9738

CSO: 4209/687

## DEGENERATED CADRES DROPPED IN HA BAC

Hanoi LAO DONG in Vietnamese 12 Jun 86 p 1

[Article: "Ha Bac Drops Backward Cadres from Domestic, Foreign Trade"]

[Text] Ha Bac has just launched an action program to speed up production, master the market and prices, stabilize finance, currency, and the living standards of cadres and people, and normalize economic and social activities.

In the past, commodity distribution and circulation in Ha Bac were fraught with flaws, and the campaign to transform small traders, manage the market, and fight smuggling and illegal business was not directed at the roots, thereby lacking thoroughness, continuity, and intra-sector harmony and leading to poor efficiency and an expansion of the nonorganized market. The effort to strengthen state commerce and marketing cooperatives was sluggish and devoid of dynamism. And the practice of conspiring to channel state goods to dishonest merchants for a profit was still widespread throughout the commercial sector. Since the implementation of the new resolution of the CPV Central Committee on prices, wages, and money, due to deficient guidance the market experienced complex changes, adversely affecting production and living standards. Currency management and utilization were improper because while supplies and raw materials for production were critically scarce, more than 50 percent of foreign currency was used to import consumer goods, especially expensive ones. Six districts in the province have imported motorcycles and sewing machines for sale to some high-ranking cadres at low prices, baffling the rank and file and people.

The province has taken immediate steps to redress these wrongdoings and simultaneously accelerate production, reorganize distribution and circulation, and stabilize living standards. It has decided to take back hundreds of motorcycles and sewing machines, previously sold at low prices, for resale at prices close to market prices at the time of initial distribution, with price differentials going to the treasury.

The province has also devised measures to refine its organization, drop unnecessary intermediaries, trim the commodity circulation system, reduce circulation costs, increase education to raise the quality and competence of cadres, remove backward cadres and personnel from the domestic and foreign trade sectors, widen the commercial network at the basic level, consolidate

the role of village and subward marketing cooperatives as purchasing and selling agents for state trade, gradually master the market, encourage business units to expand association and cooperation to exploit commodity sources in support for production and living standards, strictly prohibit units not in charge of business from engaging in trade, and unify export, import, and currency management.

9213/12947

CS0: 4209/686

TWO NEW DISTRICTS IN LAM DONG CREATED

Hanoi QUAN DOI NHAN DAN in Vietnamese 12 Jun 86 p 1

[Article: "Establish Two New Districts in Lam Dong Province"]

[Text] VNA--On 6 June 1986, the Council of Ministers issued a decision dividing Da Huoi District in Lam Dong Province into three new districts under the names of Da Huoi, Da T'eh, and Cat Tien.

a. Da Huoi District is composed to two towns--Madagui and Da M'ri--and seven villages--Da P'loa, Doan Ket, Da M'ai, Ha Lam, Madagui, Da Oai, and Da Tan--with a natural superficies of 58,370 hectares and a population of 13,250.

Boundaries of Da Huoi District:

Adjacent to Bao Loc District to the east; Dong Nai Province to the west; Thuan Hai Province to the north; and Da T'eh District to the south.

b. Da T'eh District is composed of Da T'eh Town and nine villages--Da Kha, Trieu Hai, Quang Tri, Ha Dang, My Duc, Quoc Oai, An Nhan, Da Lay, and Huong Lam--with a natural superficies of 47,330 hectares and a population of 23,814.

Boundaries of Da T'eh District:

Adjacent to Bao Loc and Da Huoi Districts to the east; Cat Tien District to the west; Da Huoi District to the north; and Bao Loc District to the south.

c. Cat Tien District is composed of Dong Nai Town and 10 villages--Quang Ngai, Tu Nghia, My Lam, Phu My, Duc Pho, Nam Ninh, Gia Vien, Tien Hoang, Phuoc Cat 1, and Phuoc Cat 2--with a natural superficies of 35,900 hectares and a population of 24,700.

Boundaries of Cat Tien District:

Adjacent to Da T'eh District to the east; Dong Nai Province to the west and south; and Song Be Province to the north.

9213/9738

CSO: 4209/687



## NGUYEN LAM SPEECH ON ECONOMIC MANAGEMENT RENOVATION

Hanoi GIAO DUC LY LUAN in Vietnamese Mar 86 pp 15-19, 24

[Summary of speech by Nguyen Lam, secretary of the CPV Central Committee, at the conference held on 30 January 1986 by the Industry Department: "Renovation of Economic Management Apparatus Is Urgent Task for Development of Our Economy"]

[Text] To clarify the question of updating the present economic management apparatus, we need to point out the true nature of the bureaucratic centralist economic management apparatus and to explain the development of our party concept of renovating this apparatus over the past years.

The bureaucratic centralist economic management apparatus has unilaterally concentrated power in the state administrative machinery and has turned enterprises into units dependent on the administrative structure of various sectors at all levels. The economy has been divided and managed by applying administrative measures according to the state-subsidy spirit and by denying merchandise-currency relationships and the law of value. This apparatus has cut off internal economic relationships among economic units and has separated the production, distribution, exchange, and consumption stages from one another. Production, supply, and sale have been carried out by order of the high level and have also been allotted and calculated by it. This apparatus has denied the right of economic units to take the initiative in production and has neither paid attention to the ultimate effect of economic activities nor combined obligations with rights and interests in economic activities. This apparatus has also deprived the laboring masses of the conditions necessary for exercising their right of collective ownership of the production and distribution process in production installations—the places where they should have had the conditions to exercise this right most effectively and vividly. This apparatus has thus destroyed the inner motive which could have incited laborers to perform production enthusiastically.

The negative phenomena caused by this management apparatus had been pointed out long ago by our party. In 1963, our party launched a movement "to enhance the sense of responsibility, to strengthen financial management, to improve technique, and to oppose bureaucracy, wastefulness, and corruption"—which was called "three fors and three againsts" movement for short. In 1972, the 20th Plenum of the CPV Central Committee decided "to abolish the

state-subsidy administrative management method and to exercise management according to the socialist commercial formula."

At its Fourth Congress, our party set forth the task of "effecting a deep change in economic organization and management and of building a new economic management network nationwide (footnote) (document of the Fourth Congress, 12, Su That Publishing House, Hanoi, 1977, p 14) it also indicated the fundamental elements of the new economic management apparatus designed to broaden the autonomy of economic units in production and commerce. It would be necessary to avoid confusion and to distinguish administrative and economic management by state organs from production and commercial management by economic installations. Merchandise-currency relationships and the law of value should be applied correctly in formulating and implementing plans, and the economic accounting system should be considered a basic factor contributing to the abolition of the state subsidy system.

This fundamental concept about updating economic management was further confirmed by the resolutions of the Fifth Congress and subsequent Central Committee plenums.

In practically guiding the improvement of economic management after the resolution of the Sixth Plenum of the Central Committee (Fourth Session), our state promulgated some policies and measures designed to vest localities and installations with more responsibilities and to widen their right to self-sufficiency whenever the state was unable to provide subsidies. On the other hand, many economic units and localities boldly conducted research and updated their working method according to the principle of autonomy in production and commerce, which resulted in the emergence of many models which worked more actively and effectively than with the old working method. However, experiences showed that the conservatism and sluggishness of an entire machinery—which steered the economy through a system of principles, policies, and regulations which had been built up and operating for too long according to the bureaucratic centralist structure—had become ingrained and were plunging the economy into a protracted situation which made it impossible to eliminate bureaucratic centralism and also to shift completely to business activities based on economic accounting.

The root cause of this problem was the stagnancy of the ideological and organizational task and the policy toward cadres. Therefore, the Seventh Plenum of the Central Committee in December 1984 asserted: "State-subsidy bureaucracy, conservatism, and sluggishness are still seriously prevalent" and "cadre organization has been carried out slowly without meeting the need to improve and develop the new management apparatus."

Nevertheless, the Central Committee had to admit at its Eighth Plenum that "due to conservatism and bureaucratic centralism..., we have slowly updated the economic policy and economic management apparatus." The policies and measures formulated by our state to guide the economy were still based on bureaucratic centralism and state subsidies. The resolution of the Eighth Plenum pointed out the harm done by the aforementioned situation and reaffirmed the concept of the need to abolish the bureaucratic centralist and state

subsidy apparatus and to shift completely to economic accounting and socialist commerce. All economic organizations should assume responsibility for their profits and losses. This task had been set forth in the 20th Resolution in 1972 and proven correct ever since by struggle realities and can be definitely said to be the necessary development tendency of our national economic management apparatus at the present time.

Even right after the Eighth Resolution was issued, we continued to guide the reform of the price-wage-currency system basically in accordance with the bureaucratic centralist method, thus creating further difficulties in the economic situation. The replacement of the current pricing system for the entire economy by a new one was also subjectively planned and imposed by the higher authorities, which led to complete lethargy of almost all major economic activities for a rather long time pending promulgation of the new pricing system by the state. But when certain prices were promulgated, it was impossible for economic units to buy and sell goods at these prices, which again led to a complete suspension of the production and flow of goods and caused great losses to the economy and people's subsistence. Meanwhile, it was demonstrated by many economic units and localities that had these units been allowed to assume responsibility for the result of their production and business activities and really to exercise the right to take the initiative in doing business (such as identifying goods, improving technique and intramural administration, seeking sources of supplies and ways to sell products, and so on) in accordance with the spirit of the Eighth Resolution, it would be completely feasible to manufacture great quantities and varieties of goods in response to social demands--goods of better quality at more reasonable prices than the norms set by state regulations. But we again continued to conduct affairs clumsily because of bureaucratic centralism and were reluctant to vest economic units with real autonomy in production and commerce.

Over the recent past, prices have been subjected to nefarious changes: market prices of all kinds of goods have risen unexpectedly and rapidly throughout the country--more so and in great disorder, especially in Hanoi. In this city, the prices of grain, food products, and many other staple commodities have soared suddenly and taken consumers by surprise. Though their root causes are objective, the recent price fluctuations have been thrown into confusion by serious mistakes committed in providing guidance.

Objective relationships are the basis of prices. Under normal conditions, the ebb and flow of the price level depends on changes in the proportion between the total buying power and the total merchandise stock. Recently, changes in these two factors have inevitably led to a gradual hike of market prices. However, because bureaucratic centralism has been ingrained in our economic management, we have guided the pricing change by subjectively imposing the decisions of the high on the low echelon without regard for the objective laws of the market.

At a time when the price of grain tended to rise under objective circumstances, we fixed a much lower price and wanted to keep it for long; as a result, we could not buy grain. A measure taken by localities desiring to purchase paddy at the low price was to prohibit people from holding markets and crossing

ivers; provinces, districts, and even villages delineated their own areas just to manage grain. Due to natural calamities, fewer taxes could be collected and grain purchases became difficult so that the quantity of grain in the state's possession dwindled away. The situation became complicated when no stock was left to sell grain to workers and civil servants as usual. In some regions, the state owed the people grain rations which were 3 to 4 months overdue. People had to buy it in the free market but met with more difficulties caused by the prohibition from holding markets and crossing rivers.

In the industrial field, the price of import oil was raised suddenly more than 10 times by applying the method of calculating and imposing it according to a formula set by the state. As a result, the production cost of oil shot up. Though many kinds of goods were neither accepted in the market nor bought by the commercial sector, enterprises were forbidden to adjust their prices and sell them on their own but had to wait for the state decision, which led to protracted suspension of production and flow of industrial goods. While market prices were soaring, private traders made profits to their hearts' content and the merchandise stock at the disposal of the state commercial sector diminished gradually.

Thus, due to an unwise management policy, merchandise shortage became ever more serious and caused a more tense situation.

Because of the desire to monopolize the right to make decisions on production, distribution, and pricing in order to grasp currency and merchandise by taking administrative measures instead of boldly decentralizing power and conferring responsibilities on grassroots installations, the source of state income from both the industrial and the agricultural domains was whittled down a lot while the need to defray expenditures was growing tremendously, causing a swift drainage of the reserve in the state's possession. More dangerous was the fact that the state did not have enough material resources to cope with any emergency. Taking advantage of shortcomings in the recent currency exchange and price hike by the state, speculators stirred up the fear of currency devaluation by continuously starting the rumor that the state was about to invalidate currency, thus throwing many people into a panic and inducing them to squander money hastily buying and hoarding gold and valuable merchandise. With the fear of currency devaluation further fanned up, people became afraid they would be "shorn" of their money if they kept it. Therefore, money flowed in disorder into the market. Because the rather large amount of money in the people's possession circulated very quickly, the price hike became all the more unruly.

It appears that in guiding the solution to the price-wage-currency problem following the Eighth Resolution, we have again made the mistake which has been pointed out in this resolution and which consists in "maintaining the price-wage-currency and other economic policies in the management apparatus based on bureaucratic centralism and stage subsidies." We have not yet implemented the basic task involved in abolishing bureaucratic centralism and state subsidies in the price-wage-currency system--a task which has been indicated in the Eighth Resolution and which is "to establish the financial autonomy of



economic and technical sectors and all localities and grassroots units, to coordinate this task with modifying the planning and management mechanisms, to shift completely all productive and commercial activities of various sectors, localities, and grassroots units to the economic accounting and socialist commercial apparatus, and to start with the planning task." The recent shortcomings and mistakes in economic guidance and management, in general, and in regulating the price-wage-currency system, in particular, are confronting us with new socioeconomic difficulties and entanglements requiring an urgent, nondeferrable solution through the concentrated efforts of our party.

After briefly reviewing the aforementioned overall situation, we can make some major remarks:

1. The task of updating the economic management apparatus, abolishing bureaucratic centralism, and shifting to economic accounting and socialist commerce has been set forth by our party ever since the promulgation of the resolution of the 20th Central Committee Plenum in 1972, and its urgency has been confirmed by the resolutions of the Fourth and Fifth Congresses and the subsequent Central Committee plenums. So far, it has not been effectively organized and implemented, however. The resolution of the Fifth Congress pointed out that "in some specific spheres, shortcomings and errors in economic leadership and management are the causes which have either generated or aggravated socioeconomic difficulties over the past years." This assertion has been proven correct by recent developments in the situation. Just because we have not yet updated the economic management apparatus, economic guidance by our state is still based on bureaucratic centralism, and the policies, regulations, and principles of the bureaucratic centralist mechanism remain unaltered and are the principal obstacle to any fundamental change which will enable our country's economy to extricate itself from protracted difficulties and deadlocks. For this reason, the resolution of the recent Ninth Plenum of the Central Committee points out:

"After recapitulating the available experiences, the Political Bureau must urgently conduct research and issue a resolution on renovation of the economic management apparatus as soon as possible. In 1986, it is necessary to shape a new management apparatus from two points of view--ensuring the autonomy of installations in production and commerce and determining and strengthening the administrative-economic managerial function of the state machinery at all echelons in order to create favorable conditions for productive and commercial installations to perform economic accounting and do business along socialist lines. This is a measure of prime importance designed to ensure the successful implementation of the 1986 state plan and the socioeconomic tasks in the forthcoming years."

As you know, the Political Bureau and the Secretariat are concentrating efforts to carry out the aforementioned tasks. To enable the Political Bureau resolution on renovating the economic management apparatus to meet the need to change the present economic situation, it is necessary to muster up the intellect of the entire party and to consider it highly important to review practical facts and to collect the opinions of all production installations,

localities, and theoreticians. On this basis, it is necessary to analyze the situation and make correct and clear-cut decisions in order to enable our state immediately to amend outdated principles and systems and to remove hindrances with the objective of helping economic units work effectively and of solving the existing urgent economic problems. At the same time, it is necessary to implement experimentally a new, uniform economic management mechanism so as to draw conclusions from controversial questions and to gain experiences necessary for creating a new economic management apparatus. After reviewing these two types of activity, it is necessary to build a new, uniform, and complete economic management apparatus.

Therefore, the views contributed by this conference are essential and timely.

2. During our debate, we must clarify the following questions:

In trying to update the economic management apparatus of our country, we have learned valuable lessons from the actual production and commercial activities of all installations and localities. In its many resolutions, our party has studied these lessons and drawn experiences before indicating the following principal tasks to be carried out in renovating the economic management apparatus:

a. The autonomy in production and commerce which were taken away from economic units must be duly given back to them. Only by doing so can we enable every economic unit and the entire economic system to work effectively. On this basis, our state must basically modify its economic guidance method to develop fully the dynamism and creativeness of economic units and, at the same time, to make its guidance truly effective. To this end, it is necessary to define clearly the administrative-economic managerial function of the state, the productive and commercial function of economic units, and the inseparable relationships between these two networks.

b. The relationships between planning and the product in our present economy must be determined clearly. In exercising economic guidance, our state not only must assert clearly that planning plays the central role but must also strictly apply the law on value and merchandise-currency relationships and respect its objective principles in order to steer planned economic development most effectively. To do so, it is necessary to abolish bureaucratic centralism and state subsidies and to shift economic activities completely to the socialist business method.

c. It is necessary to use fully all economic forces and components which are still essential and useful to society in a unified economic system together with its unified social market and uniform law--a system in which the state economy plays the leading role under the centralized and uniform leadership of proletarian dictatorship--in order to rapidly develop production, stabilize the people's life, and create ever greater material forces for socialist construction.



Based on practical experiences in our country and on those gained by friendly countries in reforming their own economies, we can assert that the themes of economic management renovation as set forth in our party resolutions are correct. Nevertheless, different opinions will be expressed to interpret and clarify these themes; the question now is how to use the valuable experiences drawn from realities to concretize them step by step.

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## IMPORTS OF LUXURY GOODS AT EXPENSE OF INSECTICIDE CRITICIZED

Hanoi LAO DONG in Vietnamese 12 Jun 86 pp 1, 3

[Article by T. C.: "Supplies for Agriculture and Not Motorcycles"]

[Text] Hopeful But...Alarming!

During this year's 5th-month spring rice season, 1,826,273 hectares were sowed and transplanted nationwide--just 0.3 percent in excess of the plan, but a 4.5 percent increase from 1985. The north, in particular, sowed 1,061,092 hectares--a 10.6 percent increase from 1985. Due to early soil preparation, more dry plowing and puddle harrowing, and changes in crop patterns and sowing techniques, sowing and transplanting neatly ended before 3 May (in the past, transplanting was still active by the end of May), with robust and plentiful seedlings. Rice varieties include early-spring types--Spring No 2, A-3, and Nong Nghiep No 8, and main-season strain--and the tardy-spring CR-203, with early and main-season strains accounting for 80 percent of the cultivated areas. Unlike previous years, irrigation was not in a bind because of early rainfalls and because 520,000 hectares of rice are located in areas served by electric pumping stations.

All these advantages allowed us to expect a 5th-month spring bumper crop, possibly yielding nearly 30 quintals per hectare.

However, things have not run smoothly. As soon as rice plants grew green, thrips appeared in tardy-spring ricefields in Thanh Hoa and Ha Son Binh. By mid-season, leaf folders attacked 160,000 hectares of rice in provinces from Binh Tri Thien to the north. At the same time, rice blast struck a rather large area--60,000 hectares, which later attained 123,000 hectares by heading time. But the heaviest blow was dealt by brown leaf hoppers, which cause the most dangerous disease to tropical crops. They appeared at the end of April, spreading fast to large areas. By 30 May 1986, they were spotted in about 300,000 hectares of northern spring rice in nearly all rice-producing delta provinces--Thai Binh, Ha Nam Ninh, Hai Hung, Ha Bac, Hanoi, Ha Son Binh, Halphong, Vinh Phu, Thanh Hoa, and Nghe Tinh. Hard-hit areas included 100,000 hectares (from 3,000 to 5,000 insects per square meter), 4,000 of which were wiped out by pests (from 10,000 to 20,000 animals per square meter). Ha Nam Ninh was hardest hit with 79,000 hectares, including 37,000 in serious condition and 1,300 gutted by pests.

According to plant protection specialists, since the beginning of the year the weather has been at times conducive to pest growth.

Our plant protection network has promptly detected the appearance of harmful insects in the fields, keeping track of developments and issuing timely forecasts, but it has failed to make accurate estimates of the vastly destructive spread of pests, especially brown leaf hoppers, in the above-mentioned provinces. However, forecasts and estimates are just part of the pest prevention and control campaign. A decisive factor lies rather in the availability of adequate quantities and brands of insecticide, abundant and suitable facilities, and implementation measures.

As of 27 May 1986, the Plant Protection Department has supplied some 220 tons of Bassa--a special chemical substance against brown leaf hoppers--to 16 northern provinces and cities: 74.8 tons by the end of April; 77.5 tons in the first 20 days of May; and 69.8 tons in the last week of May. These allocations were enough to stamp out the diseases, but regrettably, they were not brought in when they were most needed--in the first stage of the pest's appearance. Delivery should have been completed during the first 10 days of May. In fact, the anti-pest campaign--the biggest battle to protect the 1986 fifth-month spring crop--was 20 days behind schedule. And it is not yet possible to assess the damage.

#### Attempt To Pinpoint Causes

Why? Was the state slow in importing insecticide? Were factories slow in contract processing? As late as 5 June, we signed contracts with foreign countries to purchase insecticide for our 10th-month rice crop, ignoring the fact that insecticide should be on hand in July for pest prevention and control and that our stocks were all depleted. What is more, technical guidance in pest prevention and control in district and village installations was not dynamic and universally efficient, while the anti-pest network was not vigorous, due to shortages of insecticide as well as electric and manual pumps. Currently, statistical figures on these facilities in the provinces are not fully available. Many districts and villages have not mindfully guided anti-pest activities, paying attention instead to holding inter-minable meetings. Quang Xuong District (Thanh Hoa), Nam Thanh District (Hai Hung), and other districts in Vinh Phu ceased all unnecessary meetings in the first half of May to set up anti-pest guidance committees. Contaminated areas in Tam Thanh and Phong Chau districts in Vinh Phu and Tu Loc District in Hai Hung were delimited early for suppression purposes, when the insect count was just several hundred animals per square meter, making it possible to save the fields by the end of May and restrict pest destruction to almost nothing.

In terms of organization, a detail merits mention: In places where insecticide was placed in the hands of organs specializing in plant protection, it was usually distributed promptly, on schedule, and to legitimate beneficiaries while anti-pest technical guidance was above par. By contrast, sluggishness prevailed in a few places where all three organs--export and import, plant protection, and agricultural supply--"shared responsibilities"

for insecticide management and distribution. Or in places where insecticide was distributed evenly to households, no concerted effort could be made to stamp out high concentrations of pests, resulting in partial destruction.

#### "Cub" Motorcycle Is Real Culprit.....

In general, this year pest effects on the 5th-month spring crop were worse than those of last year--a threefold increase in severity, but only a twofold increase in crop losses. Due to the strong anti-pest efforts of localities and sectors, the hardest hit spots were all overcome by 5 June. Along with Ha Nam Ninh, the central government mobilized 62 tons of insecticide and 900 tons of diesel to cope with pests throughout the province. Some localities were bound to fight pests until 10 June to eliminate the threat completely. In light of that situation, the 5th-month spring crop will not meet initial expectations, but will not be dismal either.

Nevertheless, the greatest experience from these developments lies perhaps in the way insecticide is currently purchased and sold in our country. According to Decision No 362 of the Council of Ministers, foreign currency is to be used to import insecticide. Therefore, the provinces must export agricultural products to get foreign currency for insecticide purchases. But more than 200 tons of the insecticide Bassa, recently supplied by the Plant Protection Department, was an advance allocation with no foreign currency match-up. In many provinces, our peasants do not know why they must buy insecticide on credit although they have exported agricultural products and usually ask: "So, where does our province's foreign currency go?" Our answer is that their provinces have used foreign currency to import "Cub" motorcycles, color TV sets, and radio cassettes. Many provinces still have in stock several hundred motorcycles, waiting for "sale instructions" from superior echelons or scrambling to sell them to organs--a new Suzuki motorcycle for 2.2 million dong (former currency), a price which even a fool cannot agree to, as it is 10 times higher than the "internal price" paid by high-ranking officials. Current users of these irrational privileges--motorcycles, TV sets, and radio cassettes--should understand with compassion that our peasants need lots of fertilizer, insecticide, and means for their fields and crops without having the necessary money to buy and that they should bear the blame for these miseries.

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## LAM DONG PRODUCES MEDICINES FOR EXPORT

Hanoi QUAN DOI NHAN DAN in Vietnamese 17 Jun 86 p 1

[Article by PT: "Lam Dong Produces Various Drugs from Local Pharmaceutical Materials for Disease Treatment and Export"]

[Text] Lam Dong Province is rather rich in pharmaceutical materials--more than 40 kinds. Some of these materials--artichokes, *Cinchona officinalis*, mint, and *Angelica dahurica*--exist in large quantities. Relying on that wealth, the Lam Dong Pharmaceutical Combine has turned out some kinds of drugs to treat seven groups of diseases and many valuable medicines for export and domestic consumption.

To ensure an adequate supply for drug manufacturing, Lam Dong Province has paid attention to expanding artichoke planting in Da Lat, increasing its acreage from 75 to 150 hectares, and producing thousands of tons of fresh leaves each year. The enterprise has also made, following successful research, 10 artichoke-based drugs in sirup, tablet, and active-ingredient forms. This year, in addition to planned exports of 5 tons of various pharmaceutical materials, the combine has also signed contracts for exporting 10 tons of artichoke active ingredients--a tenfold increase over 1985--and for producing 6 million *Cynaracitome* tablets and 20 tons of artichoke tablets--a two- to threefold increase over 1985.

Focusing on improving technology, the Lam Dong Pharmaceutical Combine has introduced machinery into manual production lines. Its technical units have refined artichoke leaf compaction, reducing wastes from 40 percent to 15 percent of the finished product. The combine has also opened new shops for exclusive production of tea, medicines, and tonics in tablet form, contributing to meeting the people's needs and solving employment for 40 percent of surplus labor.

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## SECOND CENTRAL HIGHLANDS SYMPOSIUM ON SOCIO-ECONOMIC RESEARCH

Hanoi TAP CHI DAN TOC HOC in Vietnamese Oct-Dec 85 pp 2-5, 13

[Article by Vu Khieu: "New Development Steps in Central Highlands Economic and Social Research"; first paragraph is TAP CHI DAN TOC HOC introduction]

[Text] Editors' Note: As we have reported, the economic and social component of Program 48-09 successfully held the second social science symposium on the central highlands at Pleiku from 25 to 27 April 1985. The symposium was chaired by Professor Vu Khieu, Vice Chairman of the Vietnam Social Science Committee. The proceedings and basic issues of the symposium were generalized by the professor in the summary report below:

Our symposium has heard 31 of the 45 reports and discussions presented, including 14 of the 18 reports and discussions of leaders and cadres actually working in the local area. During the preparatory process, the symposium organization committee received valuable opinions contributed by a number of leaders in the central government.

The scientific symposium this time has made significant progress over the first symposium, and has had you, especially you leaders with local responsibility, attend and confirm clarification of a scientific basis for major viewpoints, formulas and methods in the central highlands economic and social development project, primarily concerning the problems in the ethnic minority rural area. The reports and discussions have been systematically and totally formulated, concentrating on the requirements of the seminar and the research results of past years as well as the inheritance of previous research results, especially those from the first central highlands symposium. Differing from before, an outstanding feature this time was the reports and discussions of those engaged in practical work who expressed from their own work their unanimous and supplementary opinions to clarify the viewpoints and methods of economic, social and cultural development in the central highlands as well as to present the issues requiring continuing study. Through 3 days, the symposium worked urgently with a strictly scientific spirit and an enthusiastic desire to contribute to the development of the central highlands and the entire nation. The reasons that new results have been attained are the concern of the party and state for the central highlands, and the efforts of scientific cadres wishing to comprehend the problems caused by revolutionary requirements and especially by rich practice during past years in the central highlands on the road forward, on which the time has come where conditions permit the creation of a unified basis between the scientific cadres and those conducting practical work in the problems presented by the central highlands.



The results of the symposium this time may be gisted as follows:

I. From Ethnic, Economic, Social and Cultural Characteristics in the Central Highlands at a Departure Point To Evaluate the Strengths and Weaknesses of this Area on the Road to Socialism

The symposium confirmed and more deeply analyzed the opinions of the first central highlands symposium on the basic advantages as well as the difficulties that must be overcome in advancing the central highlands to socialism. The basic advantages are that the central highlands are joining the entire nation in building socialism with the total cooperation of the socialist community, especially the Soviet Union. The central highlands, with its extremely abundant potentials in forests, industrial crops and minerals, has the capability to attract the cooperation and investment of fraternal countries, and of the state to attract sources of new labor. The strategic position of the central highlands is of importance not only to our nation but also to all three countries of Indochina in the struggle against the common enemy. However, the reasons above demand the development of resources at a rapid rate. The central highlands, with its people challenged through two wars and loyal to the party and the government, is a firm support for the revolution. The symposium also clearly recognized that the natural strength of the central highlands contains within its heart internal obstacles, and failure to grasp their objective laws or to calculate their rational use and nourishment will damage the resources and adversely affect the environment and the lives of the residents not only of the central highlands but also of the surrounding regions. The central highlands social and human departure point is lower than the entire nation and there is no uniformity between regions. Here, the effects of history, especially during the period of colonial rule, have divided the highlands into two regions. The remote rural region, the revolutionary base and resistance war region, has many difficulties in communications and transportation, and in investment but has an important political and national defense position. The residents there are highly aware of the party and the revolution but lead arduous lives. Conversely, the regions next to cities and the lowlands have favorable communications conditions, have conditions for investment, and the lives of the people (including both the ethnic Vietnamese and the ethnic minorities) are fairly good, but more attention must be given to the ethnic minority and religion problems. The symposium recognized the necessity for developing the positive effects as well as restricting the negative aspects of a population that is presently 50 percent ethnic Vietnamese (this proportion will grow larger) in the construction of socialism in the central highlands; at the same time however, it recognized the extremely important position in every aspect of the life of every member of the ethnic minorities here in order to concentrate on assisting them.

The symposium recognized the requirement for developing aspects in the central highlands of a critical nature, demanding the efforts of the entire party and people. Understanding of the natural resources as well as the human "resources" is still new, the investment capabilities of the state are still limited, and the organizational and management standards of the cadres and the people on the spot as well as those newly arrived have not yet answered the requirements of the revolution. Many backward customs and practices must be

promptly eliminated. The organization of labor in a manner that is the most effective and appropriate for the local people is still a problem for calculation and testing. Faced with the difficulties above, thinking is necessary in organizing the management and lives and raising the socialist awareness and sense of responsibility of the cadres and people, forming them into a unified and united bloc to gradually and firmly advance the central highlands to socialism, and to eliminate capitalism and all capital currency formulas.

## II. Viewpoints Requiring Unification in Establishment of Scientific Base for Economic and Social Development in Central Highlands

The symposium this time had several fairly unified opinions on the viewpoint of what must be done to develop the natural potential and people of the central highlands in the most effective manner, and to achieve the most rational use of the factors of land, climate, labor, technology, capital, etc. in the initial step. The symposium agreed that the central highlands have three strengths; forests, industrial crops and stock raising (although there was still some anxiety over pasture capabilities in the central highlands), but gave attention to potential strengths such as minerals and energy. The symposium also recognized the need for attention to the importance of developing a processing industry right in the central highlands in conjunction with agricultural and forestry development.

The symposium also had a number of reports on the limitations of the natural strengths and the need for evaluating all the strengths as well as the weaknesses of the central highlands people and society.

Many reports showed that in the initial stretch, the central highlands must both invest in exploitation and prepare a foundation for the period of large-scale economic and social development in the years to come. Investment in exploitation must be conducted to accumulate expansion capital, to have the conditions to raise the living standards of the people, to have the conditions to prepare an infrastructure, and to have time for population and labor planning, cadre training, etc. for the period of large-scale development. The symposium agreed on the necessity for in-depth exploitation of the central highlands from the very beginning, using the short-term to nurture the long-term, and conducting the exploitation in conjunction with resource and environmental protection and construction and expansion of new production facilities. The symposium also regarded that in the preparation for large-scale development in the central highlands, work must be developed at a rapid rate with increasingly higher economic norms while simultaneously carrying out the tasks for the long-term plan. Tests and experiments must be conducted, simultaneously working and gaining experience. Jobs producing fine results and for which experience has been summarized must be strongly developed.

Concerning economic organization: the symposium posed the need, when examining the economic structure development plan, for placing the central highlands in relationships with the entire nation and the area. A foremost problem in the central highlands is the decentralization of management between the central and local levels, and between the local levels and the agencies and basic production units of the central government and nearby provinces operating in the local area. The symposium recognized the necessity for concentrated and unified leadership management, with clear stipulation of economic management.

assignment by sector and territory in administrative supervision and party organization. The symposium also devoted much discussion to the problems of organizing specialized production regions, circulation and distribution, communications and transportation, the viewpoint that grain is the springboard, etc., and made many worthwhile suggestions. A number of reports of the local as well as the central levels brought up the need for giving attention to economic development of the high regions to raise the living standards of the people in the border and revolutionary base areas. It is necessary to swiftly restore and improve the traditional handicrafts and to develop new trades. In a number of regions, the opening of communications routes plays an almost decisive role. A number of problems in economic policy were also presented. Some reports gave attention to how the enterprises, state farms and state forests, responsible for economic and social development in the local areas where they reside, can reduce differences in the living conditions of the people in the surrounding area and those living in the state-operated facilities, and avoid a situation of "tightly closed" activities by the state-operated facilities.

Concerning social organization: the symposium concentrated many opinions on clarifying that form and progress is a seething problem at the present time in the central highlands. Differing from other highland areas, the symposium recognized that in the central highlands, there are favorable facilities and conditions for organizing state farms and forests. The problem of introducing residents to state farms and forests is presently occurring. The symposium clarified the opinion of the first symposium that the introduction of residents to state farms and forests is the shortest route and can be achieved in the central highlands. In a number of regions, the central highlands people are slightly acquainted with plantation work during the colonial period. They work resourcefully and loyally with a concept of ensuring good discipline and technology. The state farms and forests have recognized this fact during the past 2 or 3 years. Their advanced training to become workers in the state farms and forests is favorable. And, only with this form can the party and state have the investment conditions to easily assist with "prompt money for the ethnic minorities," and assist them to overcome their shortcomings and quickly resolve the problems of organization and management, with the support of cadres and engineers with scientific and technical standards, credentials and ethics. On the other hand, the state is therefore able to fully utilize the resident labor source and forces thoroughly familiar with the local area, and to simultaneously restrict the central highlanders from destroying the forest to establish slash-burn fields. Most important of all is that through this, the residents will recognize that they have truly gained control. However, it is necessary in this task to calculate the minimum conditions necessary in material facilities, cadres, and capital and the time required by the people to become familiar with the life of a state farm and forest worker. Therefore, depending on each location, it is possible to use an initial form of the state farm and forest contracting work and crops to the surrounding ethnic minority villages to give them the time to prepare sufficient conditions and to familiarize their people with the new work methods. It is also possible for the state farms and forests to attract village by village, or to simply recruit labor. These methods and steps must be carried out for a fixed period as a test before full summarization is possible.



Concerning those locations that still lack the conditions for opening state farms and forests, and this is the universal situation, the symposium agreed with the spirit of Directive 56/CT/TW 29 January 1983 in the introduction of people to the collective route. The symposium also recognized the need for work units consisting of party, economic, social, cultural, public health, etc. cadres to go down to support the basic collective unit during the initial period, especially regarding a number of distant and remote regions. These cadres must be men with enthusiasm, high responsibility, intelligence and a thorough understanding of the local customs, and be the individuals introducing line, policy and scientific knowledge to the people.

The symposium also affirmed the position of family economy as important and recognized that besides the additional harvest from garden plots, it is necessary to develop and improve various sectors and trades, especially those that are traditional to the local areas: weaving, iron forging, etc. This is a basis for expanding sectors and trades to attract sources of resident labor, to change the local labor component structure, and to enrich the people by implementing a commodity economy and destroying the self-sufficient economy.

While emphasizing the close relationship between the state-operated, collective and individual economies, the symposium recognized that in a local area, it is necessary to emphasize the superior nature of the state-operated and collective economies. The people must decide that the primary source of their family income will steadily increase due to the state-operated and collective economies. The source of income from individual labor, although important at first, is also a weakness and its proportion of the total family income will steadily decrease.

The symposium also had many reports on the necessity for reexamining the organization and introduction of other people to settle in the central highlands in the program to redistribute the labor and population of the entire nation. When achieved, it is necessary to clarify the problems of: Introduce who? Go where? Do what? Those going up to the central highlands must be truly needed for the development there, avoiding conflict between those recently arriving and the resident population and causing the residents to see that the presence of the new people is necessary for them. Only in this manner will solidarity and agreement be ensured. The symposium also touched upon the fact that failure to introduce an appropriate level of people to the central highlands at a suitable time will adversely affect the natural resources or create social problems in the local area.

Concerning ideology and culture: To achieve the requirements of economic and social development, and production relations reorganization, the symposium recognized the role of the ideological and cultural revolution as extremely important. When emphasizing this importance, many reports thought it must "go a step ahead." The symposium recognized the need for considering a strategy on how to bring the people of the central highlands from a small-scale production and self-sufficient society to one of large-scale production with a socialist commodity economy. The symposium also recognized the necessity for contemplation on the theme and form of teaching patriotism, love for socialism and an international proletariat spirit. This is a firm spiritual support for building a strong and great national unity, fully achieving the slogan, "The entire

nation for the central highlands, the central highlands for the entire nation." It is necessary to raise the educational standards of all the people and to train cadres on the spot to promptly answer the requirements of economic and social development. With the residents of the central highlands, the problem of education is pressing during the present period. Some reports emphasized the need for investment in education as is done for the economy, and affirmed that it is as valuable as economic investment. In this problem, use of the guideline of the state and the people working together will be effective and has been proven in actual practice. The symposium also noted the need for studying a theme, form and method of education suitable to the central highlands situation, and studying forms of immediate and long-term cadre training for the central highlands. Many opinions held that a long-term cadre training plan is necessary and can only be achieved at the central level with the opening of a separate college for the children of the mountains in general, including the central highlands.

#### On changing society and the people of the central highlands:

The present resident population of the central highlands has portions that must abandon many production formulas, and some that must move and settle elsewhere. A number of reports brought up the problem of not causing the people to break away from their old culture and knowing how to continue the choice elements of their traditional culture. It is especially necessary to wholeheartedly prevent specifications unsuitable for the way of life, methods of eating and living, and spiritual life. This is a proper task in achieving the guideline of the party on cultural development with a socialist theme and national character.

The symposium also heard a number of reports and discussions on the problems of superstition, minorities, religion and the relationship between the economy and national defense.

An additional important result of the symposium this time was its establishment of a basis for research relations, not only between the scientific departments, institutes and colleges in the central government but also between the Vietnam Social Science Committee and party agencies and local administrations. Local areas all recognized the need for organizing provincial social science detachments, and for sector support. Concerning this problem, the Science and Education Committee conducted prompt research and presented opinions for solution. On the basis of reports at the symposium and opinions expressed by responsible individuals attending the symposium from the three provinces of the central highlands, the Vietnam Social Science Committee will join the Vietnam Institutes of Science in implementing the formulation of suggestions on a scientific basis for a central highlands economic and social development plan for presentation to party and state agencies, assisting to support preparation of a theme for the sixth party congress, and simultaneously for formulating the 5-year (1986-1990) plan.

As director of the economic and social portion of Central Highlands Program II, the Vietnam Social Science Committee will join other scientific agencies in substantiating the research theme of subjects in Program 48-09 to achieve effective completion during 1988, answering the requirements set forth by the nation.

## IMPLEMENTATION OF FAMILY PLANNING AMONG YOUTHS DISCUSSED

Hanoi DAI DOAN KET in Vietnamese 2 Jul 86 p 11

[Article by Le Thi Tuy: "Implementation of Family Planning Among Youths"]

[Text] In 1985, due to active campaigning, efficient educational activities, and other down-to-earth measures, the family planning movement was more successful than in previous years.

In the process of encouraging the young to attain the objectives of the campaign, the following two major issues deserve our attention at present:

1. How to encourage young married women to give birth to the first child at the age of 22 or older?
2. How to encourage young couples to give birth to the second child 5 years after the first one and limit the number of children to two?

First issue: According to the current marriage and family law, women reaching the age of 18 may get married. In 1985, in the whole country, only in Hanoi was the average age of young women getting married 22.8 years. In Ho Chi Minh City, 12.25 percent of young women making their marriage vows were under the age of 20, accounting for 50 percent of all newlywed women, and 30 percent got married before the age of 18.

Therefore, from the legal wedding age to the time newlywed women are encouraged to give birth to the first child per the objectives of the family planning campaign, there is a gap of 4 years. Obviously, it is hard for a newlywed couple to wait 4 years before giving birth to their first child:

According to survey figures, at present, over one-third of newlywed couples give birth to the first child in the 1st year of marriage, including not few women who get pregnant before becoming a bride. (In Subward P., Hanoi, in a certain period of prewedding registration, 9 young women out of 14 registrants were pregnant.)

How can the problem be solved? Many people suggested that in the new marriage and family law, the legal wedding age for women be raised to 22, but detractors of this suggestion countered with many sharp arguments. One of those was, for



instance, that in the world nowadays, there is a trend to lower the legal wedding age, because the young men and women of today's era develop their sexual desires at quite an early age, and it would make no sense if in such an environment, we raise the legal wedding age. On the other hand, because of many objective causes, the young in our country also have early sexual wants. Falling in love early, having sexual relations early, and getting married early are quite widespread. If we raise the legal wedding age, how can we solve the premarital sex problem?

The discussion will continue, and its purpose is to find a way to encourage young women to put off giving birth to the first child and to give birth to fewer children (one or two) in their lives as wives and mothers.

Two things need to be done: first, to educate young men and women in making them aware of the pressing need to lower the population growth rate, an important responsibility of theirs.

In the past 2 years, the Youth Union and the Women's Federation have coordinated their efforts in setting up many educational phases intended for young women (with many key topics pointing out that young women are the main subjects in love, and also the ones who bear the consequences if they become pregnant unwillingly). Those courses included pragmatic issues allowing women attaining the age of puberty to understand the characteristics of their bodies, to know what is true love and how to protect it, and to identify erratic conceptions in love in order to avoid mistakes.

As regard newlywed and about-to-be-wed women, educational topics were more direct and included items such as sexual activities, contraceptive methods, the art of fostering love and building family happiness, and implementation of planned parenthood. In Ho Chi Minh City, with the assistance of related sectors, some clubs did an excellent job in the framework of this educational work. In some subwards such as Thuy Khe Subward in Hanoi, the local people's committees gave initiation courses on family planning for young couples who appeared for premarriage registration. The young registrants were also handed pamphlets on how to implement contraceptive measures and were lectured about the responsibilities of the young in the face of the country's rapid population growth.

Those educational activities, although not totally widespread, were termed as heading in the right direction and addressing the needs of the people and were warmly welcome by the masses.

The second thing to be done is that the health sector must strongly expand its service networks and make ready means and cadres to address in the most conveniently possible manner the "technical" needs of young couples (including unmarried young women).

I want to stress "young couples," because they and those who get married at a more advanced age have many differences. Diaphragm posing, which is quite popular at present, cannot be applied to newlywed young women. Likewise, no young wife would give her consent for abortion on the first pregnancy. As regards young newlywed men, few earnestly and totally apply contraceptive measures.

Their general feelings are "let's give birth to a child, and let's not worry about whatever happens afterward yet."

At many family planning stations that I visited, services provided were still far from being thoughtful, convenient, discreet, and safe. No station had its cadres take the initiative to assist the young in a personalized manner; on the contrary, I observed that some health employees lacked understanding, or even showed discomfort and disdain when dealing with women who had made a false step.

I hope the health sector will expand its networks to reach the grassroots and open many family planning stations in clusters, villages, and subwards. Each station should be a true education center providing guidance and assistance in matters of sexual knowledge, health protection, and implementation of family planning measures.

Information gathered from my own surveys indicates that no young couple would like to have a child right after the wedding, let alone before the marriage. They instead want to extend their honeymoon period to enjoy being together and to have more time to build a comfortable material environment and prepare for family life. If good education is provided and allows them to be aware of and control their sexual activities and to receive sufficient aid to implement family planning, there is no doubt whatsoever that they will volunteer to delay parenthood.

Second issue: Each couple gives birth to a maximum of two children with a 5-year gap in between.

Also in Hanoi only, young couples achieved a gap of 40.5 months between the two children. The reasons for not reaching the 5-year gap have been the lack of efficiency of contraceptive measures and other weaknesses, but there were also certain sociopsychological reasons:

According to an investigation conducted by the Institute of Sociology and Social Surveys of the Youth Union, multiple childbearings are caused by the following psychological reasons:

1. Insistence or pressure of the parents or relatives that the young couple is unable to overcome.
2. Lack of awareness on the part of the young couple: willingness to have both male and female children, and to have two children of about the same age for convenience in matters of rearing, education, optimal use of household items, diapers, and clothing, and also convenience in taking advantage of the presence of healthy grandparents of the children for babysitting. On the contrary, late childbearing may cause the couple to have to raise the children while attending to older and frailer grandparents.

To assist young couples in staggering the births of their children, support from social agencies is needed in campaigning with their parents and relatives. On the other hand, one has to be cognizant of the facts and reasons around the

matter and to show flexibility and understanding, especially for those women who get married at an advanced age, those whose first child is handicapped or hard to raise, and those who have a prior and rational work plan coupled with a childbearing plan.

Recently, it occurred that certain agencies and enterprises delayed their authorization for female workers to have the second child although the first one was more than 60 months old. The reason given was the shortage of working people for production. To me, enterprises and agencies with a large number of female workers should try to change the composition of their work force and hire more male workers to allow their women workers to stick to their normal family planning. Restrictions on childbearing should not be used as a principal measure for labor management.

In sum, in the campaign to stagger births, we ought to remember the campaigning nature of all activities, and all forms of compulsion and coercion must be discarded, for those forms may bring quick results but the latter will be short lived and will create uneasiness and discomfort in the masses.

Finally, there is a prevailing opinion around the fact that young people are those who give births most, as shown by the percentage of nearly 70 percent, in 1985, of births given by the young compared with the total number of women become mothers. I would like to comment on that.

To me, that percentage does not presage anything bad but, on the contrary, is a good sign. If the best results of this campaign are attained, meaning all couples will give birth to only one or two children, women will become mothers from the age of 22 and will have the second child 5 years later. By the same token, all births will take place in the women's young age. If no woman has a third child, 100 percent of women will become mothers when they are still young.

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## BRIEFS

POPULATION GROWTH DISCUSSED--That the population growth rate in our country is over 2 percent? Translated into absolute value, our population increases by 1.2 million every year. What does the state have to do for those newborns? According to calculations made in the world nowadays, for each 1 percent of population increase, food production must increase 2.5 percent, and the national product must be augmented by 4 percent; short of that, the standard of living will decrease. To feed, at a moderate level, our 65-66 million population, the economic plan must reach the following minimum: the national product must increase at least 12 percent; the consumer fund must increase 11 percent; and food production must increase 6 to 7 percent, the equivalent of 26 million tons. This does not include housing, schools, health facilities, child care homes, kindergartens, occupational training schools, job placement, and recreational and cultural facilities needed each year for the 1.6 percent population increase. If the "each family has only two children" objective is met each year, the number of newborn children decreases by 850,000. This birth reduction will, in turn, mean a reduction of 40,000 tons of rice, 1.7 million square meters of housing, 4.5 million meters of fabrics, 850 pediatricians, 21,000 child education teachers, 8,500 classrooms, 85,000 grade school teachers, and 153 million workdays for maternity leave (if each new mother takes a 6-month leave). Every year, in our country, there are from 1.1 to 1.4 million persons reaching working age. Not include expenses for job training, each job incurs the following expenses: creating a new job for a textile worker needs an investment of 70,000 to 100,000 dong; a hectare of ricefield sufficiently drained and irrigated costs 30,000 dong; and for one laborer moving from Hanoi to Lam Dong to produce 1 hectare of tea, the state must invest 50,000 dong, excluding expenses for travel, house building, and other allowances. /Text/  
/Hanoi DAI DOAN KET in Vietnamese 2 Jul 86 p 11/ 9458/12228

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